What Do You Want in a Postwar Car? (p. 15)

THE FINANCIAL POST

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The Nation's Business

Let's Stick to Works That Build Prosperity

How much "politics" is there going to be in postwar public works? One prominent businessman of London, Ont., writes us the opinion that there may be a good deal. He points out that "a second federal building will be commenced (here) as soon as possible although the need for it may be somewhat questionable in the postwar period."

Public works should definitely "last resort" operations of the government. Government's job is to provide the climate favorable for the healthy and energetic functioning of the individual enterprise system.

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There will be giant demand for the services of the construction industry in the years following the war. Informed estimates show that the demand will be enormously greater than the capacity of the construction trades to supply. There won't be enough skilled construction workers, even for key jobs, not enough materials.

The Canadian people can well demand that government buildings come last on the construction list. Some government public works like certain roads may contribute directly to business productivity because they facilitate it. Few public buildings do.

Much is being said about the timing of construction and public works: that in good times government should hold off in its building programs and reserve these necessary undertakings for periods when private demand slackens.

Here is a powerful balance wheel for our economy if we operate it with a little common sense.

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All Canada Tackles Stock Rackets

Security control officials of all the Canadian provinces and some from the United States have been invited to Toronto next week to confer with the Ontario government on this matter. This is highly desirable because the whole Canadian situation suffers from the very unsatisfactory situation in Ontario.

Stock racketeering deserves the most prompt, sincere and careful study.

War conditions have brought unaccustomed surplus money to thousands, with virtually no investing or speculating experience.

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Victory bonds and war savings certificates are of course instantly cashable. Thousands are being cashed, much of the proceeds going into the pockets of the stock-selling hoodlums.

Ottawa has now started paying substantial lump sum gratuities to soldiers to help them get re-established. While the gratuity flood is not yet here, it is a safe assumption that far too many of these gratuities will be thrown to the stock vultures unless prompt sanitation measures are taken.

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Because most of the loot is extracted from that section of the public which can least afford to lose money, this destruction of important postwar purchasing power and economic independence very properly alarms bankers, insurance executives and responsible businessmen of every kind. Letters and comments to The Financial Post and widespread newspaper warnings attest the concern of responsible people all over Canada at this situation.

Some people, including persons of influence, argue there should be no interference with the stock racketeer; that it is not the function of government to regulate any business; that, out of the racketeer's operations, the country eventually benefits through the development of new mines.

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As for developing the mining industry, the racketeer hampers it. In the typical racket operation, the stock gangster pockets nearly all the money he collects, spends only an infinitesimal proportion on actual property development. Thus, he not only adds little or nothing to geological information of an area, but he rakes in money which would otherwise have been available to the honest-to-goodness mine promoter and developer.

As for the argument that government should not interfere with the methods of the stock racketeer, that comes straight from the dark ages of feudal society. It is a view long since repudiated by every wide-awake businessman who fully understands that with the opportunities of competitive society, go very grave responsibilities to that society.

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Nothing could be more damaging to the system of individual enterprise than tolerance of the activities of the relatively small, but tremendously active financial underworld now operating from Toronto which is made possible by the Ontario government's failure aggressively to enforce present security regulations.

The principle that a man dealing with other people's money must demonstrate high qualities justifying that trust, and that government properly exercises some supervision over him, has long since been accepted and welcomed throughout the business community. For example:

Banks are subject to meticulous government inspection by auditors with at least six years Canadian experience. Bank activities are limited by the Bank Act. Key employees are bonded.

Insurance companies are subject to constant inspection by Dominion and provincial superintendents who are required to check books at least once a year. They must post deposits with government to assure obligations will be met.

Trust companies are subject to investigation by government bodies; required to file financial statements.

Members of the Investment Dealers Association get regular audit by experts, are subject to many strict regulations to protect their customers and their industry.

The Toronto Stock Exchange maintains its own auditors, requires yearly thorough independent audit and requires two interim audits each year.

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Restaurants are subject to licensing and inspection to assure protection of public from unsanitary conditions, products, etc.

It is obviously far better to see that restaurants serve sanitary food rather than to depend on occasional prosecutions after customers get sick; obviously better to see that banks, insurance companies and the businesses handling other peoples' money conduct their affairs properly all the time rather than depend on jailing defrauders after money is lost.

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Those are just a few examples of sound supervision designed to protect the business which is supervised and to protect the public. In all these cases, it is a supervision aimed primarily at preventing public abuses more than punishing them. It's a kind of supervision which stock selling needs, which gives the public a fair speculative chance and which is to the advantage of the mining industry and the investment community.

To Make All Parts Here For Washers

WPTB Okays 30,000 Machines For First Six Months But U. S. Can't Contribute

By STAFF WRITER

OTTAWA—Ingenuity of Canadian manufacturers in developing standardized, interchangeable and Made-in-Canada components may give housewives almost double the number of new washing machines they had last year.

That is the word from WPTB officials who have given permits for 30,000 washing machines to be turned out in Canada during the first six months of 1945.

Last year actual washing machine production in entire year was about 24,000. This was about 6,000 less than the number of permits allowed by WPTB. But many of these machines were dependent on U. S. components.

Independence in Parts

This year, due to the tightened priority, material and manpower situation in the U. S., it is not thought likely Canada will get any help from across the border in the form of components. This throws the ball back to the Canadian manufacturers. If they can make the components, this country may be on the way toward independence in another area where formerly a lot of materials and parts were needed from outside.

Can these parts be made as cheaply or as well in Canada?

On quality the answer should not be difficult. On price the reply would seem to be "yes," if Canadians will standardize on the components rather than fall back on their own individual styling and patterns.

The view here is that if wringer parts are standardized or made interchangeable there should be no real difficulty getting costs down to a comparable U. S. figure. (How long manufacturers would be willing to do this after the war is another question.)

One other problem which has a bearing on whether or not anything like the 30,000 machines will come along: a WPTB "permit" is at best little more than a hunting license and even though one or two "essential" household appliances like washing machines, vacuum cleaners and electric stoves are now allowed to be produced under permit, there is no assurance of the needed manpower or materials.

What is thought likely is that even if the 30,000 goal is not reached, the industry may, with luck, produce possibly 20,000 units in the first half of the year. This will be a considerable improvement on last year at this time. Then, the programmed output and actual production showed a very considerable gap.

LEVER'S NEW PRESIDENT

Charles Albert Massey is new president of Lever Bros. Ltd. Born 1900, in Canada, he has held many posts with the company, has just returned from Australia where he has been second-in-command since 1943. He was educated at University of Toronto schools and led his final year at Osgoode Hall, following which he practised law for five years. His father was Charles A. Massey, a first cousin of the Rt. Hon. Vincent Massey, Canada's High Commissioner to Britain, and of Actor Raymond Massey. The new Lever president is brother-in-law of sports broadcaster Foster Hewitt. His own sports activities, he says, are limited to serious gardening.

U. S. Convention Travel Curb May Hit Over-border Traffic

Recent effort of the United States Government to ban conventions and trade shows and relieve the burden on transportation may result in a further reduction of group meetings in Canada. For a period of 90 days beginning Feb. 1, attendance at meetings in or from the U.S. by more than 50 persons will have to be authorized by the U.S. War Committee On Conventions.

Bookings of such American business in Canada have dropped steadily since 1940 and it's expected the new policy will again cut into the $149 millions annually which Canada included in tourist trade figures in the pre-war years.

Fully 80% of the U.S. conventions that were to be held before June 1 will be cancelled and will likely be supplanted by small board and committee sessions, in the opinion of T. H. R. McNally, executive vice-president of the Toronto Convention & Tourist Assoc.

"The U.S. railways are undoubtedly in a tough spot," Mr. McNally points out. "They've reached the point of cancelling passenger trains because of war freight. In Canada, although some conventions have been cancelled, the distribution of the population is such that only comparatively short trips are necessary to attend commercial and industrial conferences."

The new U.S. ruling follows a series of requests which began shortly after Pearl Harbour. Most large conventions were divided into various groups or were cancelled.

Davis Leather Sells Control

As reported in The Financial Post (Jan. 13, 1945) control of Davis Leather Co. of Newmarket has been purchased for cash by James A. Gairdner of Gairdner & Co., Toronto. Assets of the company are stated to approximate $3,750,000.

Mr. Gairdner becomes chairman of the board and will have associated with him as a director Norman C. Urquhart of Toronto. Management of the company will continue in the hands of the Davis family, with Aubrey Davis as president, Andrew J. Davis vice-president and E. J. Davis secretary-treasurer.

JointBoards To Continue Into Peace?

More Nations Enter at Committee Level But New Agreement For Duration Only

By STAFF WRITER

OTTAWA—Behind the Churchill-Roosevelt-King statement that the Combined Boards will be maintained until the end of the Jap war, lies the important fact that the larger decision of longer-term responsibility for these boards has been shelved.

The present decision is merely one to continue the boards on a narrowed basis until the end of Stage II.

For some time the Combined Board idea has been fighting for continuing existence on a more permanent basis. Support has come especially from the British who argued that war experience pointed the need for continuation of this effective co-ordinating mechanism. Attack has come on two counts: (1) criticism that only two or three of the 40 or more United Nations are represented directly; (2) anxiety for freedom from all such controls as supplies of critical materials, foodstuffs, etc., become plentiful.

Objections Met in Part

Both these objections have been met in part in last week's official announcements at London, Washington and Ottawa. The Washington release went to some pains to point out that Newfoundland and Australia, in fish and wheat respectively, had been brought in at the "committee" level. France, Belgium, Netherlands and Norway had been given representation on the fats and oils deliberations.

The announcements also gave a clue to the basis on which these Boards will be expected to operate in the future. Their function was defined as covering (a) only those items which continued to be scarce in a global sense, and (b) only

(Continued on page 2, col. 6)

McIntyre Earns $2.23 Per Share

Earnings of $1,775,774, or $2.23 per share, are reported by McIntyre Porcupine Mines for the nine months ended Dec. 31, 1944, compared with $2,175,512, or $2.75 per share in the comparable period of 1943. Earnings totalled $613,544, or 77c. per share in the three months ended Dec. 31, 1944, as against $528,591, or 67c. per share in the quarter ended Sept. 30, 1944.

Gross income for the nine months amounted to $5,405,131, compared with $6,133,919 in the similar period of 1943. Operating costs, appropriations for taxes and reserves for depreciation were below 1943 totals.

Family Allowances Cost $256 Millions

Payments Will Go To 3.5 Million Children, Average $72.48 Each, Per Year — Quebec Breaks Slightly Less Than Even, Percentagewise

By KENNETH R. WILSON

OTTAWA—When family allowances come into effect, July 1 of this year, 3,535,934 children under 16 are expected to be eligible for payments. Average cost per child per year will be $72.48, and cost to the Treasury about $256.3 millions (outside of administrative costs, and without deduction of income-tax rebates).

Figures produced this week show that, of all the children eligible for family allowances next July:

some 40.2% (1,424,900) will be five years of age or less, hence will draw only $5 a month;
23.8% (839,700) will be between six and nine ($6 per month);
17.5% (618,400) will be between 10 and 12 ($7 per month);
18.5% (652,900) will be between 13 and 16 ($8 per month).

(These amounts are cut by $1 a month for the fifth child in a single family, $2 a month for the sixth and seventh children, $3 a month for the eighth and subsequent children.)

Where Payments Go

Of major interest is the first Ottawa estimate of the proportionate distribution, among Canada's economic areas, of tax collections and allowance payments. This comes close to the unofficial estimate first published by The Financial Post, leads to the same general conclusions. The way the Minister and his deputy work it out, the scoreboard looks something like this:

"GIVE-AND-TAKE" OF FAMILY ALLOWANCES

	Taxes Paid†		Allowances Received	
	$(million)	%	$(million)	%
Maritimes	109	4	28	11
Quebec	905	34	84	33
Ontario	1,235	47	75	29
Prairies	186	7	54	21
B. C.	206	8	15	6
Total	2,640	100	256	100

†Combined direct and indirect taxes collected by Dept. Nat. Revenue, year ended Mar. 31, 1944.

This throws more light on the six-months-old argument about how Quebec "benefits" from family allowance payments, how much Ontario "contributes."

According to these figures, the Province of Quebec will contribute a fraction more ((proportionately) to federal coffers than the proportion of benefit it receives: a 34% slice of the taxes compared with 33% of the family allowance payments.

Balance to West, Maritimes

Ontario will apparently make a major contribution to the provinces outside central Canada. Her share of the tax bill is 47%, and of the allowance payments 29%, as age and family distribution will stand this spring. The difference will help to balance out the nonindustrialized, less wealthy provinces, who have recently pointed out that these contributions from Ontario and Quebec will help them defray the cost of educating and training children who often subsequently go to join central Canada's labor force.

The trial spot for family allowance administration is Prince Edward Island. There, questionnaires will soon go out, and records will be checked, to get ready for the stream of 3.5 million cheques which must start going out from Ottawa on and after July 1, 1945.

Withheld Co-op Profits Attacked at Calgary

Clause Requiring Quick Distribution of Surpluses Said Widely Ignored—Wartime Growth of Co-ops. in Alberta Outlined

By GORDON L. SMITH

CALGARY — Main controversy before commission investigating tax position of co-operatives continues to hinge around section 4P of income tax and it is now clear that privately owned companies intend to make this one of major issues of the probe. Upon this section most co-operatives depend for their exemption from taxation. Specific point of issue raised at the Calgary hearings this week was the stipulation in the Act that states that co-operatives are "under an obligation" to pay producer members all proceeds from sale "less necessary expenses and reserves." In the case of consumer co-operatives the wording is identical except in this case supplies and equipment must be turned over at cost.

The following table, taken from Dominion Bureau of Statistics records, indicates that net worth of the co-operatives in the ten years prior to 1942 grew $12 millions more than could be accounted for by increases in capital invested. This would suggest that the $12 millions represented undistributed "profits":

FINANCIAL STATISTICS

Year Ended July 31	Total Assets $	Value of Plant $	General Liabilities $	Paid-up Share Capital $	Reserves and Surplus $	Working Capital‡ $	Net worth as % of Total assets %
1932	70,226,288	45,607,366	22,072,231	8,570,488	37,805,137	2,546,691	66.0
1937	87,938,453	36,338,952	36,685,625	9,265,747	41,987,078	14,913,876	58.3
1939	86,240,783	37,751,641	32,973,321	9,685,537	43,581,925	15,515,821	61.8
1940	102,685,109	38,265,055	48,424,694	10,155,221	44,105,194	15,995,360	52.8
1941	145,658,904	38,567,084	92,222,947	10,503,077	42,932,880	14,868,873	36.7
1942	128,004,893	37,597,916	69,964,822	12,220,249	45,819,822	20,442,155	45.3

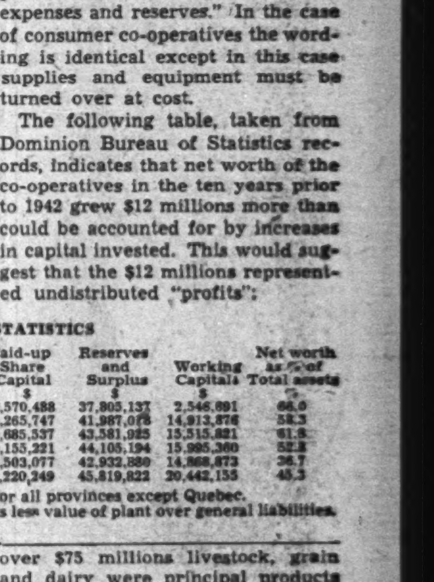
*Co-operative stores are included in 1942 for all provinces except Quebec.
‡Working capital defined as excess of assets less value of plant over general liabilities.

Various spokesmen for the private companies and to a considerable extent also the commission counsel argued that this stipulation was not being observed, that in one special case it was admitted up to 16% of sales were being withheld by the co-operative to be returned only at the discretion of the directors. In many cases, too, it was argued that co-operatives had bought produce outright and sold at a profit whereas the Act implies that the produce is the property of the members.

Another point under attack was the business of co-ops done with nonmembers. The Income Tax Act says that such business must not exceed 20% of all business done. Apparently in a deliberate effort to get round this provision many co-ops have now adopted the practice of automatically admitting any producer or in the case of a consumer co-op, any purchaser, to membership fee usually not more than a dollar from the first sale or purchase. As these members then are not released from membership without a majority vote of the directors, it was maintained that this practice completely nullifies the intention of the Act.

Enormous growth of co-operative business in Alberta was reported and especially so in the last four years since the taxation burden of the private companies has so markedly increased. Almost 250 co-op units were reported at the end of 1944 compared with 150 in 1941. In 1943 these did annual business of over $75 millions livestock, grain and dairy were principal products handled, though complete list also included stores, credit unions fire insurance and oil distribution.

Pace of Business



The Financial Post's Index of Production moved downward again (less than one point) in December, but signs pointed to an early reversal of the trend. If the distributive trades, railway freight traffic and external trade had been included in the index (which reflects only mining, manufacturing, construction and electric power utilities) the measure of business activity in December would have shown a decided advance. As it was, activity advanced half a point before "smoothing."

Ives Tax Study Seeks to Untangle Problems Of Family Corporations and Annuities Levy

By STAFF WRITER

OTTAWA—This week at the Union Station Terminal here, Hon. Mr. Justice Ives and his fellow-commissioners started hearings on the taxation of annuities and family corporations. Notices of submisson are to be filed by the end of the month and submisssions themselves will, it is hoped, all have been filed by Feb. 15.

The Ives Commission has been given two important jobs. The first concerns recommendations to the government on the taxation of annuities. This study, as discussed in The Financial Post (Dec. 3, 1944), covers the whole gamut of accumulation and use of savings by individuals. Every pension scheme, every annuity, every saving life insurance policy which carries an endowment or saving feature, may be affected by its findings.

Family Corporations

The second part of the Ives report has to do with the effect of taxation on "family" corporations. To quote the charge of the Privy Council (P.C. 8679):

" . . . to investigate and report upon the taxes imposed under laws in force in Canada, on income and successions or inheritances arising upon the death of a person owning a substantial proportion of the shares of a private corporation or a closely held corporation which has accumulated an earned surplus and to consider whether under any circumstances there should be an abatement of the tax liability, and, if so, under what circumstances and to what extent there should be such abatement . . . "

Although it has never been officially admitted, there are at the Income Tax branch of the Department of National Revenue a considerable number of private corporation cases which are at a standstill because of present income and succession duty legislation. Unless or until the law is changed (and made retroactive to cover these cases), no solution could be found because these estates are completely and inescapably "tax broke."

A simple illustration in the accompanying panel will indicate the dire straits of the privately or closely-held corporation with an accumulated earned surplus, and whose chief shareholder has died under present tax laws. The problem is not confined to litttle business concerns only, nor is it alone in the problem of the milllionaire concern. It ranges through scores of communities and trades; touches more especially the one or two and three generation business which has been held within a family and has plowed back earnings in order to grow and expand.

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Could it be Helped?

Looking at the hypothetical case of "John Henry," it is obvious that various steps might have been taken, say, five or 10 years ago to avoid such an impasse.

For one thing, if John Henry had had a substantial amount of other assets in his estate he might have avoided trouble. Also, if he could have found a market for a portion of the share capital of his business he might have been a little better off. (The difficulty here would be that few people would want to invest say $50,000 or $100,000 in a business of this type in which they would only acquire a minority interest).

Actually there is a section in the Income War Tax Act (Section 13) which if it had been applied more rigidly by the government in years past might have avoided the extreme plight of John Henry. Under that section, the Minister of National Revenue has authority to require the distribution of undivided or undistributed profits, if in his opinion such profits are "in excess of what is reasonably required for the purpose of the business." More rigid application of this section in the past might conceivably have avoided some of the difficulties which have developed with the mounting of succession duties and the raising of graduated income tax to present and confiscatory heights.

Another way out, which might

(Continued on page 2, col. 5)

Typical Problem for Ives Commission

Twenty or thirty years ago John Henry puts $100,000 of capital into a business of his own. He plows back earnings and builds the business to its present worth of $500,000—largely out of profits which were used purely for expansion but which, because they are undistributed, have never been subject to income tax.

John Henry dies in 1944. He is still the chief shareholder and his estate has no other liquid assets of any consequence.

Succession duty experts from Toronto and Ottawa (we'll assume John Henry lived in Ontario) value the Henry estate at $500,000 (approximately the worth of his interest in the business). They place the amount of succession duties payable at somewhere between $160,000 and $175,000 (depending on what proportion of the estate is payable to his widow and what proportion goes directly to his sons). They demand cash in payment of these duties.

To provide this cash, the executors of the estate are obliged to declare a dividend and distribute some of the unearned surplus that has been accruing over the years in the business. This may not be too difficult as the business is in good shape financially.

But no matter what they do or how much unearned surplus they pay out, they cannot solve John Henry's problem. The reason: Income taxes, at present rates, must be paid on the undistributed profits the moment they are made available to the estate. Right now, the income tax on, say, $100,000 would leave only $19,700 to the Henry estate toward payment of a succession duty bill which is eight or nine times that amount.

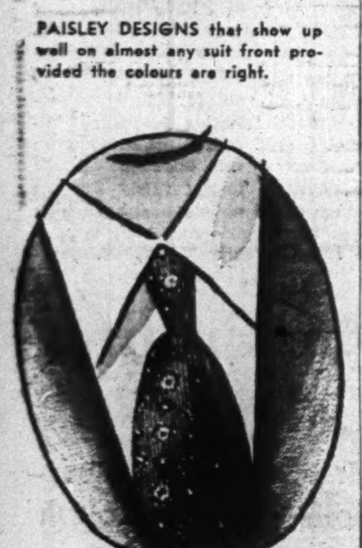
Even were half or two thirds of the entire value of the estate to be liquidated the result would be very little different. Even on $500,000 the amount the income tax authorities would leave would be something less than $30,000.

Neckline Interest FOR SPRING

Featured by Eaton men's wear coast to coast in a variety of wool or rayon fabrics.

REPP STRIPES in colourful variations for conservative contrast or matching . . . especially with Business Worsteds.

PAISLEY DESIGNS that show up well on almost any suit front provided the colours are right.



NEAT ALLOVERS in the form of coin dots, variegated diagonals, reflect modernistic or conservative taste depending on the colour arrangements.

ULTRA MODERNS are to be a little more conspicuous in design this year, and every bit as bright and dashing. Probably hit an all time high in favouritism.

EATON'S

Stock Rackets Arouse Attention

Many Papers Issue Warnings, Ask Situation Be Corrected

Activities of high pressure share pushers and laxity in administration of the present Ontario Securities Act have aroused wide comment in the Canadian press and elsewhere.

Besides press warnings, radio broadcasts from Toronto and Montreal have drawn attention to the situation.

B.B.B.'S On the Air

Arthur R. Haskell, general manager, the Toronto Better Business Bureau, in a recent broadcast declared:

"We believe those members of the public whose incomes permit of speculation should not be discouraged from making such investments but we are thoroughly convinced they should be protected from stock selling racketeers who are more interested in getting their money than they are in the development of the mining industry.

"It is unfortunate that such schemers do exist and that they do prey upon honest people. Salesmen representing such schemers use all the high pressure methods known including the telephone and telegraph to get their money . . ."

* * *

The Better Business Bureau of Montreal reports it is supplementing the efforts of the Montreal press in warning investors there.

Requests for bulletins outlining the situation have been so heavy they have exhausted the available supply in Toronto and Montreal.

Northern Miner Concerned:

Discussing need for proper personnel to administer a new Securities Act, the Northern Miner, well-known publication in the mining industry, says this:

"Why men of low character were ever permitted to fasten upon the public purse is a great question; there is a widely held suspicion that in the past, friends have been able to nudge somebody at Queen's Park and secure a license for anybody and everybody. We are sure the public is with us in insisting that the new commission ar l setup proposed by the Drew Government must be absolutely above and beyond suspicion in every particular."

This was printed in the Northern Miner Jan. 18 issue. A week before, the Miner stated:

"Where a person receives phone calls, or wires "out of the blue"—that is, where there has been no previous contact between the person and the promoter—the action can be deemed an infraction of the Ontario laws, and the person who has been subjected to this illegal phoning or wiring should report the occurrence to the Ontario Securities Commission, Parliament Bldgs., Toronto. He should do this just as he is morally bound to report any infraction or attempted infraction of the laws of the land."

Many Journals Speak

Among Canadian papers echoing The Financial Post's warning to holders of Victory Bonds are the Guelph Mercury, Halifax Herald, Saskatchewan Farmer, New Westminster's British Columbian, Lachute Watchman, B. C. Courier of Cranbrook, Kitchener Record, Ottawa Evening Journal, St. Thomas Times Journal, etc.

The Saint John Telegraph Journal notes and the Montreal Star picks up a warning of the New Brunswick Public Utilities Board against purchasing stock sold by high pressure methods.

Ives Tax Commission

(Continued from page 1)

have been possible a few years ago, would be through a series of capital reorganizations. However in 1943, the Income Tax authorities attempted to seal up that possible loophole by passing Section 32B. This section gives the Minister and the Treasury Board the power to revalue assets of a company when these are being distributed at a price deemed to be below fair market value and in such a way as to "avoid" income tax payments on their full and fair market value.

Neither is it possible for the business to "loan" the John Henry estate sufficient money to pay his succession duties. Under Section 18 of the Act, such loans would be declared taxable.

In short, the income tax department seems to have deliberately cut off all means of egress and to have boxed itself up in an impossible situation from which there is no possible legal exit.

Where the Probe Comes In

What can the Royal Commission do about it?

For one thing, the Commissioners are hopeful of getting aid and counsel from any or all persons who have come up against this problem and who believe they may have possible solutions. So far, not much aid has been forthcoming.

One suggestion that has been made is that Section 16 of the Income Tax Act be amended so as to permit the distribution of surplus for succession duties at a lower rate than distribution for other purposes. (Section 16 has to do with taxation of undistributed income by means of redemption of shares or reduction in share capital). The difficulty here is that any such provision might be deemed to discriminate as between, say, major and minority shareholders.

Another approach is to introduce a new and general rule that a certain proportion of all accumulated surplus shall be deemed "capital" rather than income. The argument here is that such a ruling would be fair to all groups of shareholders and that it is based on the reality that no business can be considered in healthy state without a certain amount of accumulated surplus.

What would happen under such a provision would be that on declaration of a dividend to meet a contingency such as faced John Henry, a portion of the distribution would, by law, be considered to be capital and not income.

Quite apart from the insoluble cases which have already arisen because "John Henry" had the misfortune to die under present confiscatory income tax rates, the problem unquestionably hangs heavily over the heads of scores, perhaps hundreds of small or medium-sized business concerns throughout Canada—firms which in the majority of cases are the mainstay of employment within their community.

It was this realization of the very real threat to the prosperity and well-being of community business and economic life which undoubtedly roused Hon. J. L. Ilsley to find a solution via the Ives Royal Commission.

Amendment of the Income War Tax Act to make only the interest portion of life annuities subject to income tax, is suggested in a brief presented to the Royal Commission on Taxation of Annuities and Family Corporations by the Canadian Life Insurance Officers Association.

La Compagnie Legare Ltée has declared a dividend of $2 on the preferred stock on account of arrears, payable Feb. 15 to stock of record Jan. 23.

The Canadian Car Proxy Fight

Bitterest Battle In Recent Business History

From Our Own Correspondent

MONTREAL—One of the bitterest proxy fights in recent Canadian business history looms for the annual meeting of Canadian Car & Foundry Co. called for noon, Jan. 31, at the Royal Bank of Canada here.

Who will manage the future affairs of the company is the crux of the battle.

What the outcome will be, no one is, perhaps, in a position to say, for while each side is understood to be vigorously lining up proxies, the fact that shareholders may send new proxies, invalidating earlier ones, makes a reasonable forecast as to the outcome impossible.

Presumably, too, the meeting will bring out a record attendance of shareholders. Some of these will not likely send in any proxies, but will vote after they hear the pros and cons advanced at the meeting, and after they have heard the names of the new company directorate which the opposition group proposes.

Because of the big issues at stake, it is widely expected that this first meeting may not see a settlement of the dispute.

Opposition to the present management is headed by A. Kirby of the investment firm, Fairbanks, Kirby & Co.

Mr. Kirby informs The Financial Post that a prominent Canadian industrialist will be proposed as president and that a panel of other leading businessmen has been drawn up for a new directorate.

Mr. Kirby also states that stockbrokers at the meeting will be given the opportunity to make other suggestions.

The names of these proposed candidates will not be revealed prior to the meeting, Mr. Kirby declared.

L. A. Peto is not the nominee for president, but will be asked to continue as director and official by the Kirby group, The Post understands. Mr. Peto was until recently vice-president and general manager of the company. He is still a director of Canadian Car and vice-president of its U. S. subsidiary.

Victor M. Drury, president of Canadian Car, in a statement to The Financial Post, declared that operations in the past year were more profitable than in any previous period; that the annual report gave a fair statement of the company's position; that the management has nothing whatever to hide and that he will go to the meeting prepared to give a full explanation in answer to any questions that may be raised.

Mr. Drury told The Post that a study has been made of possible plant changes to permit manufacture of railway cars from aluminum and to provide for other adjustments to meet probable future needs. But, Mr. Drury declares, no decision on this matter has been reached by the directors.

Main charges of the opposition group are: that Canadian Car management was discussing an expansion program of $5 to $9 millions, that this was not revealed in the annual report; that they employed outside engineers to make the study; that shareholders have not been given adequate dividends; that, according to a published statement of Mr. Kirby, "the accomplishment of so very little for the shareholders in 31 years is abundant proof of the extravagance and inefficiency of the management."

Among Mr. Drury's points rebutting the Kirby charges are: No commitments for plant expansion have been made, these being solely in the discussion stage which he regards as entirely proper under present circumstances; that employing outside engineers is established business practice; that it is not customary to cover in the annual report matters which have gone no further than the discussion stage; that the present management, having been in office only a few years, cannot be held responsible for the conduct of the company during the last 31 years.

With publication of a statement the middle of this week in paid newspaper space, Mr. Peto comes into the open indicating his opposition to the present management. (See page 4.)

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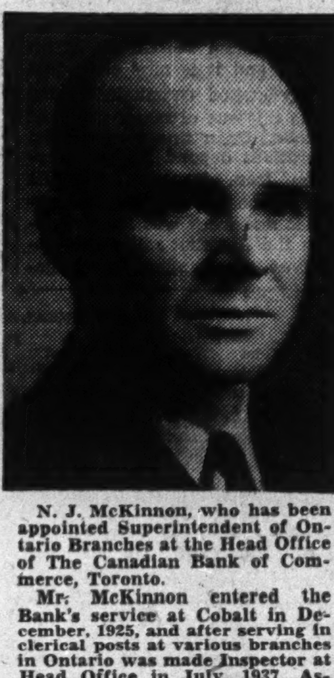

N. J. McKinnon, who has been appointed Superintendent of Ontario Branches at the Head Office of The Canadian Bank of Commerce, Toronto.

Mr. McKinnon entered the Bank's service at Cobalt in December, 1925, and after serving in clerical posts at various branches in Ontario was made Inspector at Head Office in July, 1937, Assistant Manager of the Toronto branch about two years later and Chief Inspector, Head Office, in October, 1943.

Joint Boards To Continue?

(Continued from page 1)

those commodities or materials which are requisite either to military operations or to "essential civilian economies."

Covers Three Boards

Three boards are covered in the new statement of policy: Combined Production and Resources Board, Combined Raw Materials Board, Combined Food Board. Though quite illogical, Canada is not a member of the CRMB though it is the board in which she has perhaps the most direct concern. CRMB has only Britain and United States at the top level though Canada has representation on committees and through the cross-border Canada-U.S. Materials Co-ordinating Committee. CPRB and CFB both include Canada as well as the U. S. and Britain in their top-bracket membership.

The fourth Combined Board (not mentioned in last week's statement) has to do with shipping. Recently an agreement was reached whereby this board will be replaced by a United Nations organization within six months of the close of the European war. Canada is not a member of the present board, membership being confined merely to Britain and U. S. A.

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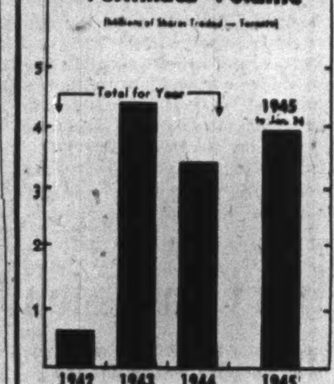
Vermilata Volume Sets Record For 1945 in January Alone

With a continuation of its spectacular market performance, Vermilata Oils has so far traded more shares in one month of 1945 than in all 1944. An accompanying chart shows an interesting volume comparison.

After dropping to a low of 12 cents a share late last week—a decline of almost 50% from the price a few days earlier—the company's shares firmed as buying finally appeared in the market.



In a telegram from the Petroleum and Natural Gas Conservation Board published last week it was stated that there had been no activity at the Vermilion Consolidated No. 15 well—in which Vermilata has an interest—since Oct. 18.

J. K. Swanson, general manager, Vermilion Consolidated Oils, wires a Toronto director under date of Jan. 23 as follows:

"Snowplough presently active clearing highway today. Moving Frank's machine on well tomorrow. Exploratory work proceeded with as expeditiously as humanly possible. Barring delays over which we have no control procedure should be normal and workmanlike manner.

Sources associated with the financing of Vermilata claim that a merger is in contemplation embracing Vermilata Oils and one or more companies in the same area. Basis of any such proposed deal is not revealed.

L. W. DODGE

L. W. Dodge, St. Catharines, has been appointed Manager of the Ontario division of Beaver Lumber Company, Limited. Mr. Dodge has long been connected with the Retail Lumber business, starting in 1913 at Dunnville, Ont. After serving for three years with the D/21 Field Battery in France in the last war, he joined the Beaver organization in 1919, and managed a number of their branches in Western Canada, including his own associate company, Beaver Dodge Limited, at Elkhorn, Man.

In 1938, he transferred to St. Catharines, Ont., where he has been manager of the Beaver yard, until this appointment.

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How to Start Your Own Business

A Post Series of Articles on How to Succeed in "Small Business"

Success for Me in Clothing?

ARTICLE XV

By ROSS BAXTER WILLIS

(R. B. Willis is acting head, Department of Business Administration, University of Western Ontario, and has been assistant director of WPTB's Management Service Division, a bureau whose chief job has been to assist the small businessman in solving wartime problems.)

(Copyright)

Have you considered opening a store in the apparel group—a men's wear, women's wear, family clothing, boys' wear or shoe store?

Hundreds will be interested in this field because of past experience. And there will always be a keen interest on the part of the enterprising outsider—always newcomers and new capital.

Don't we generally regard clothing as next in importance to food? And don't some often put it first?

The apparel trade at any rate is large. The 1941 census found 12,166 Canadian stores in the field—9.3% of all retail establishments—with sales that year at $281 millions or 8.5% of all retail turnover. And this doesn't include sales of clothing and footwear by variety and department stores or mail order houses. Most numerous (5,309) were stores selling women's apparel and accessories; next (3,499) men's and boy's clothing and furnishings. There were, besides, 1,746 family clothing stores and 1,662 shoe stores.

How to fit the customer can't be learned in 10 minutes.

Dealing in clothes and shoes has quite a few distinguishing features. Basic problems of the apparel group differ from those of food stores, for instance. Clothing and footwear last for a considerable time in service—the economist calls them semidurable consumer goods. They have, moreover, a relatively high unit cost. Purchases can be deferred. And consumers usually like to "shop around," which puts a premium on expert salesmanship.

Plenty of Room for the Independent

What has a business in this group to offer a prospective entrant?

You will experience an enthusiasm and interest beyond that in some other lines because of the emphasis on fashion and, in many cases, service to the family. Apparel retailers maintain that there is a creative aspect to the merchandising of apparel which provides an enthusiastic and progressive approach.

There has been—and undoubtedly always will be—a place for the independent in this field. In Canada chains do only 12.1% of the men's and boys' clothing business, 18.5% of the family clothing, 13.2% of women's apparel and accessories and 37.2% of the shoe business. In apparel you are not dealing with quite the standardized demand or commodities characteristic of many other trades.

Close relationships with customers are possible — your great strength as an independent.

In many lines you can get established with a limited amount of capital. In addition, there are so many types of operation that you can quite easily find one to fit your own needs or interest.

You can start with relatively little help and because of the same interests which motivate you, clerks can be kept interested and enthusiastic. Although it remains to be proved, it is frequently asserted that a superior type of help is attracted to this field because of the less hectic working conditions, the higher unit sales and the less standardized work experience.

You will have relatively minor delivery problems—thousands of stores in this group have never offered delivery service or, where it was made available, it was always on the basis of an extra charge.

Margins are much more adequate than you could expect in the food trade, for instance. By way of comparison, a recent study in the United States among independent stores showed average gross margins of 34.2% for men's furnishings, 32.9% for shoes, 31.8% for men's clothing, 30.6% for family clothing and 30.5% for women's ready-to-wear. On the other hand, the grocers covered by the same study had to get along on 18.4%.

You will be able to employ effectively in this field your flair for merchandising, salesmanship, display and advertising. And in a trade where style is so important, you are on the job, able to make immediate decisions and to be in close touch with the particular needs of the customers you serve.

Style Changes Shave the Profits

On the other hand, you will find the apparel group full of perplexing and complex problems:

In certain lines previous experience is almost a "must." The fitting of footwear properly is not learned in ten minutes. Knowledge of sizes, fabrics and so on in men's or women's wear—all these require a good deal of training or background.

Markdowns arising from style changes have always been a serious problem. If conditions return to normal and the recent trend toward simplification and standardization is reversed, you may expect markdowns to return to something nearer their pre-war levels of as much as 7 or 8% of sales in shoes and as much as 15% in women's wear.

"You may have to face the hazards of selling on credit."

Competition from larger operators is going to be much more intense than before. In the United States chains do 21.9% of the men's and boys' clothing business, 17.8% of family clothing, 28.9% of women's apparel and accessories and 56% of the shoe business. The percentages for men's wear, women's wear and shoes by comparison with our own are significant.

Because of relatively low turnover, by comparison with food stores for instance, your capital requirements are likely to be much higher. Three and a half times a year has been considered in the past a fair rate of turnover for men's clothing or footwear.

Your heavy inventories will expose you to the risk of large losses from time to time. The past few years have been extremely happy for most retailers in this field since the public was prepared to buy almost anything offered. Think, however, of what happened to many shoe merchants in this country after the last war and after 1929 when raw material prices declined drastically and public demand slowed down.

Although many of you undoubtedly will be attracted to this trade through belief in a fantastic backlog of demand in this country for clothing and footwear, there may be some serious disappointments for you. After 5½ years of war, Canadians certainly are better clothed and better shod than ever before. A glance at the civilian consumption of many of these items makes one wonder where the demand came from and how it could be sustained in the face of any reduction in purchasing power.

You will have to face the constant risks induced by the introduction of new products and there will be a host of these in the near future.

Because clothing and footwear are shopping goods, your store location is going to be extremely important. It is going to be doubtful if your ideas of securing cheap premises in a residential neighborhood will prove very successful in this field.

You will have to recognize that advertising, display and sales promotion are much more important than in many other fields and can be very costly.

Because of the fickleness of the public, your ability to predict demand accurately months ahead, or even sizes which are likely to be bought by your customers, is going to be seriously in question.

You may have to face the problem of selling for credit with its attendant worries of losses and an adequate system of control.

You Needn't Plunge on Fixtures

Don't be too dismayed, however, by these difficulties. Entrants have succeeded in the apparel field before and will succeed again. Here are a few things to consider. Some of them already will have occurred to you but they may serve as a useful check list:

Plan at the outset to establish a character for your store which will be reflected in every phase of its operations. It does not matter whether you are going to appeal to a high-income group or a low-income group—decide in advance and plan on the basis of that decision.

Plan your layout carefully but inexpensively at the outset. It is altogether too easy in this field to "go overboard" in fixtures. Make the layout as flexible as possible and plan to change it from time to time so that it will seem fresh and attractive.

Devote a great deal of attention to the planning of a simple but effective system of inventory control. There is a great deal of information on this subject and your trade papers and fellow merchants should be able to help you. If you're going to be successful, you have to be constantly aware of the goods you are selling, not only as to volume but more particularly by size, color and style. You have to know what your customers want and why.

Consider the use of related and suggested selling in your layout, in your merchandising and in your advertising.

Study the application of price lining and price zoning to your particular operation. It is not applicable to all but where it can be utilized it is a very effective weapon.

Think carefully of your advertising approach before you open. Plan in terms of the most effective means of reaching your potential customers, not in spending the greatest amount of money. Attempt to be distinctive in your advertising approach.

Consider the use of self-selection in connection with certain commodities you have to offer. Bear in mind that this does not mean cash-and-carry but that it involves only what its name implies.

Learn in advance as much as you can about the materials involved in the goods you are going to sell and about possible changes and substitutes in the future. Changes in materials in this field will likely be more rapid than in almost any other and unless you are in a position to anticipate them you are going to suffer substantial losses both of customers and of your capital.

Do not hesitate to be ruthless in the cleaning out of "dead stock." Remember always that the first loss may be the least and that you may be much more optimistic about something in your inventory than an outsider may be. This means as well that you must have a detailed knowledge at all times of what is in your stock.

Know before you open your doors what your policy with respect to credit is going to be—and stick to it. If you are going to offer credit, establish a definite system rather than go along in a haphazard manner.

The proprietor of an apparel store enjoys a marked advantage over one in many other trades in that there has been a great deal written in the field. Possibly it is because these items are so important to the department store and large specialty shop. Be that as it may, there are many more textbooks and periodicals dealing with the operation of an apparel store than are available in almost any other branch of retail trade.

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Freedom With Controls Keynote of Retail Meet

Business Must Pep Up Public Relations Work Say Speakers at 3-day Retail Federation Convention in Toronto

Business should speak up for itself—business should establish and regulate its own controls—free enterprise should be freed from loose thinking—more and more efficiency will be needed in postwar competition—these were the highlights of the three-day convention of the Canadian Retail Federation held last week in Toronto.

"Businessmen must tell the public how business works and the conditions which must obtain if it is to work well," stated Walter P. Zeller in the opening speech, "Business has too often failed to maintain a public relations program broad enough to instill public confidence in itself."

Regulated business under free enterprise came in for wide dsicussion. There was general agreement among the speakers that certain forms of state control must continue for a time after the war but these must only be temporary and the state must never be allowed to run business. In postwar Canada when the Government plans to take a greater interest in the individual, "it must never be allowed to forget that the best way to help a citizen is to enable him to help himself." Mr. Zeller pointed out that regulations should be fluid—that is adjustable to both boom and depression periods. In boom periods the Government should curtail credits, reduce public works and increase taxation—in depression periods the procedure should be reversed. "All this can be accomplished within the framework of the free enterprise system," stated Mr. Zeller.

Free Enterprise—What Is It?

If people today are turning away from free enterprise it is only through ignorance or fear—ignorance of its meaning—fear that it must give way to some form of state control to avoid postwar depression, was the feeling of several of the guest speakers.

"When we speak of freedom of enterprise, do we know what we mean? We don't mean freedom to seek profit by any and all means. We don't mean freedom to profit at the expense of community welfare. We don't mean freedom to exploit others. We don't mean freedom to monopolize, when monopoly restricts production or raises prices. But we do mean free competition and free personal choice among the economic opportunities—be they goods or jobs—that are available to men," Mr. Zeller stated.

Federation President P. K. Heywood affirmed that present rigid controls, especially high taxation, must be abolished as soon as possible if incentive to enterprise is not to be stifled. He also drew attention to what he thought was the grave danger that effectiveness of our economic system will be judged after the war by the statistics of employment—rather than by the standard of living it provides.

George S. Hougham, secretary-treasurer of the Federation, speaking on 'Freedom Through Regulation' proposed that, besides a Government control to take care of the larger issues, the main controls on business practices should come from self-government within business itself. "What is needed, is the establishment of some simple rules of conduct which having been adopted could be publicized to the trade and filed with the Dominion Trade & Industry Commission." Plans of this nature have operated effectively in the United States for some time and to a lesser extent in B. C. and Alberta. He suggested a re-organized Dominion Trade & Industry Commission whose chief role would be the impartial settlement of any disputes.

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V. C. Wansbrough, Montreal, succeeds A. G. Pinard as president of Canadian Paint, Varnish & Lacquer Assoc., continuing also as general manager.

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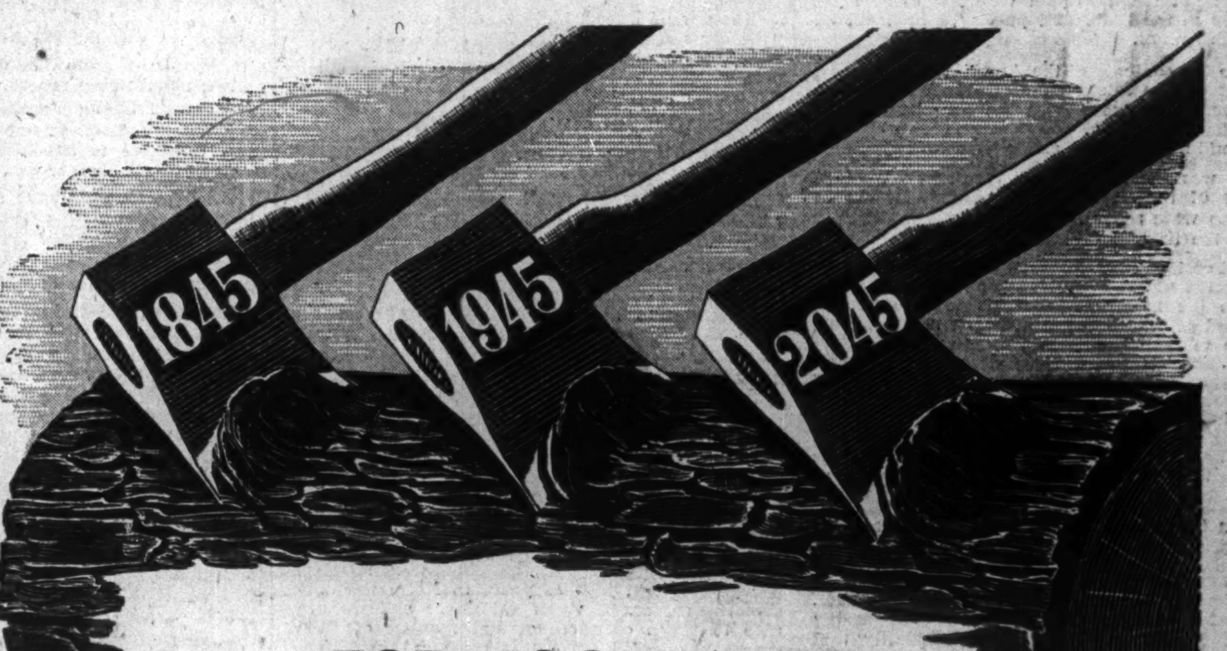

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Launch New Housing Act In Pact With Companies

Mortgage Applications Come Off the Shelf With Passage of Three Orders-in-Council But "Inflation Down Payments" Seen Barrier

By CLIVE CHATTOE

The country's big mortgage lending agencies this week were reaching into their "deferred" files. Hundreds of Canadians with loan applications and building plans based on the newly liberalized terms of the National Housing Act were about to get their money and join in the current battle for materials and labor, for permits from Ottawa and for the services of builders.

This new power for the wheels of housing finance was turned on last week at Ottawa with the passage on Jan. 18 of orders-in-council which at one stroke did the following:

1. Enacted new terms of agreement between lending institutions and Government;

2. Approved regulations attaching to the agreement and governing the terms under which loans will be made for owner, rental and farm house building.

3. Amended the six months' old Act to iron out several hidden kinks.

Thus, in effect at least legally as of Jan. 18 are all sections of the new Act save No. 4—home improvement and home extension loans—implementation of which presumably will await war's end.

But the house-hungry citizen with a wartime nest-egg but no million still is nursing a grouch. He is kicking himself and apt to be critical of others because he wasn't told very clearly that he can't get a loan based on current high costs, that, in fact, loans are now generally based on the much lower—perhaps 25% lower—costs of 1942.

The typical 1944 applicant for a house mortgage loan encountered the sharp knife of devaluation. He planned to build at, say, $5,000; had it all figured out according to the National Housing Act that he could get an 86% loan and need only pay $700 down. He was amazed when the lending value of his project was promptly marked down to something like $4,200 and that he had to find perhaps $1,200 cash, i.e., not only the $700 ordinary 14% down payment but $500 or so extra to cover inflation.

Barrier to Building?

It's true that some lending agencies are in this regard less conservative than others but the above example hews to the common line, The Financial Post understands. The Post has talked to a number of would-be builders who claim the current "discount for inflation" actually is causing deferment of their building plans.

There is no clear indication as yet—some say no likelihood—that projects this year will be valued any higher for loans, despite weak rumors that such a move was being considered.

Until further notice the maximum lending value under the Act is now $6,000 for a house with not more than two bedrooms, $7,000 with not more than three, and $8,000 with four or more bedrooms.

Maximum lending value for a multiple-family dwelling is $3,000 for each family unit plus $1,000 for each separate bedroom therein.

Effect of these charges in the regulations is to allow financing under the Act of larger, more complete houses.

The order-in-council amending the NHA 1944 makes seven changes.

The first, under general definitions, facilitates farm housing loans by standardizing evaluation of site at up to 20% of construction cost.

The second, also under general definitions, adds townships and districts to towns and incorporated villages as "municipalities."

The next two amendments are in Part 1, owner-housing, and cover (a) a clarification in terms, of the item relating to the 4½% rate payable by the borrower; (b) clarification of the sharing of any losses by lending agency and Government.

Remaining three amendments are in Part 2, rental housing. Here again the item relating to the interest rate payable by the borrower is clarified in terms and the reference to loss share amplified.

The final amendment provides that in the case of 80% 20-25 year, 4½% loans to rental housing enterprise, such loans may be made by two or more lending institutions acting together.

The long-drawn battle of southwest Ontario to maintain adequate gas supplies has entered a new phase with the announcement of a deal to import natural gas from Texas, a step which would involve a boost in rates to consumers. Previous measures to supplement the natural supply from the natural gas wells are shown on the map.

At 1, 2 and 3 facilities for converting liquid propane (a by-product of oil refining) into commercial gas were set up in 1941.

At 4, a plant to purify and alter gas from the Imperial Oil refinery stills, then to store it under pressure in the exhausted gas wells of the Dawn field was set up in 1941.

At 5 and 6, manufactured gas plants were already in existence at the outbreak of war—(5, oil-gas)—(6, coke-gas).

At 7, small quantities of mixed gas are imported from U. S.

At 8 is the proposed entrance point for new U. S. natural gas supply.

With natural gas supplies dwindling and auxiliary sources insufficient to meet the peak load requirements, Union Gas Co. has entered into an agreement with Panhandle Eastern Pipe Line, U. S., whereby the Canadian company plans to import 5½ billion cu. ft. of natural gas annually from the U. S. company. Estimated cost is approximately $3 millions for additional pipe lines and compressor stations. The added supply would more than meet all possible demands in southwestern Ontario for the next 20 years, company officials state.

But the new deal would involve a boost in consumer rates varying from 7% to 25% according to the quantity used. In the agreement gas is to be purchased by the company from Panhandle at a price of 25c. per thousand cu. ft. in U. S funds. The price can be lowered to 20c. or raised to 30c. in the case of wide changes in the price of coal.

Considerable opposition to the rate boost is developing in most of the municipalities affected.

Nova Scotia's Debt Down For War Years

The Province of Nova Scotia's net funded debt has been reduced $11.5 millions in five years—from $97.1 millions at Nov. 30, 1939, to $85.5 millions at Nov. 30, 1944. The general debt has been cut $9.1 millions between Nov. 30, 1939, and Nov. 30, 1943, and stood at $67.5 millions at the latter date, according to the Provincial Treasurer's Department. The surplus for the year ended Nov. 30, 1944, is expected to be at least $1.5 millions as compared with $2.9 millions for 1943. Capital expenditures during 1944 charged to revenue account amounted to approximately $500,000 as compared with $327,300 the year before. The Legislature voted a $3,160,000 increase in revenue expenditure in 1944, $2,637,000 of it allocated for such vital services as health and welfare, highways, education and agriculture.

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Implement Pool Has $626,252

From Our Own Correspondent

REGINA—A total of $626,252 has been raised from farmers in the three Prairie Provinces in the drive to finance Canadian Co-operative Implements, Ltd., Winnipeg, it was announced at the annual meeting of the Canadian Federation of Agriculture held here. This was composed of $284,707 from Saskatchewan and $100,000 from Manitoba. The drive in Alberta was to begin Jan. 22.

Added to the $384,707 of the current drive was the $241,545 collected in 1940.

The membership report was: Saskatchewan, 23,425; Manitoba, 8,941 and Alberta, 2,215, a total of 34,581. The objective is 50,000.

Manitoba, Saskatchewan and Alberta Governments have agreed to loan $750,000, if the co-operative raises $750,000. Large co-operative organizations in the West have guaranteed another $500,000.

Canadian Co-operative Implements was reported dickering with implement firms to obtain their agencies outright. The co-operative, it was said, had definite assurance one company was interested, and possibility there would be two or three others.

No plans for the expansion of the recently purchased plant at Elmwood, Man., have been made, pending conclusion of the fund campaign.

A. Milligan, who has been appointed Superintendent of Manitoba and Saskatchewan branches of The Canadian Bank of Commerce, with headquarters in Winnipeg. Mr. Milligan succeeds Mr. H. F. Liggins, who retires on pension after 32 years' service in the Bank, the last five as Superintendent at Winnipeg. For ten years previously he was Superintendent at Regina.

Mr. Milligan has had a long and varied banking experience. Before coming to Winnipeg in 1930 as Manager of the Bank's branch there he served in various capacities in Canada, Newfoundland, London, Eng., and New York. A veteran of the last War in the Imperial Forces he was awarded the Military Cross and retired with the rank of Captain.

Sask. Studies Lignite Venture

From Our Own Correspondent

REGINA — Production of high-grade briquettes and chemical by-products from lignite coal in the south Saskatchewan lignite coalfields near Estevan has been announced as among the industrial plans of the Saskatchewan CCF Government.

The Government has plans under way for a carbonization plant, financed from funds to be raised in the current $1 million "Security Bond" drive.

Among the planned by-products would be lignite oils, creosote, plastics, ammonia and nitric acid. Producer gas for industrial use might be another.

A small briquetting plant has been in operation at Bienfait, Sask., but only 100,000 tons of coal has been processed yearly. Except for creosote no by-products have been manufactured.

$100,000 Opens Sask. Bond Drive

From Our Own Correspondent

REGINA—In the first week of the Saskatchewan CCF Government's $1 million "Security Bond" sales campaign, $100,000 was subscribed, according to Provincial Treasurer C. M. Fines. Applications were only beginning to come in; the campaign had been delayed by a hold-up in printed material and salesmen couldn't take orders, he said.

The issue is for 10 years, with interest at 3%. It will mainly finance the proposed many-sided co-operative industrial development.

More than 400 salesmen were organized for the campaign, which opened Jan. 15. All reliable persons who wish to sell bonds are being permitted to do so, Mr. Fines said.

To:
Shareholders of Canadian Car & Foundry Company Limited
From:
Leonard A. Peto, Shareholder and Director

I have now received the various circulars issued up to this date concerning appeals for proxies for the forthcoming Annual Meeting.

I was not asked to join with the other eight Directors in the Statement published by them on the ninth instant.

As to the contents of the Annual Report, may I say that on the afternoon of December 20th last I received a telegram from the Secretary to the effect that the regular monthly meeting of Directors would be held at 11 a.m. on the following day.

This was short notice for the most important meeting of the year. Messrs. Angus, Coverdale and Eden were absent. Mr. Harty was present for part of the time.

The President, Mr. Drury, expressed regret that the Report had not been available for the Directors prior to the meeting, the rush over which was explained as due to the fact that it would not be possible to mail the Report to the Shareholders before January 10th, 1945; a circumstance which would permit the bare requirement of fifteen days' notice to shareholders, if the Annual Meeting was to be held before the end of January. As the envelope in which my copy of the Report was mailed bore the date stamp of the 4th instant, it is evident that conditions were not so severe as alleged.

From the knowledge which had been acquired during the fiscal period and from what Mr. Drury had said at the meeting on November 27th, 1944, it was expected that the results for 1944 would be approximately the same as those given for 1943. The fact that they proved to be considerably better indicated to me only the probability that a long standing profit-sharing aircraft contract had been finalized and a substantial profit taken up in 1944 which had been earned in previous years—1942 and earlier. In fact Mr. Drury stated at the Meeting that a refund had been made to the Government to the extent of $1,800,000.00, necessitating a loan from the Banks of $1,400,000.00

Part of the profit taken up in 1944, and to be taken up in 1945 really belongs to 1943, during which year a great deal of fabricating work on the Dive Bomber was performed, but as to which no profit was taken up until complete airplanes were shipped. The number shipped in 1943 can be counted on the fingers of one hand. The results of a single fiscal period often are not a fair reflection of the activity for that year. This applies to 1944 particularly.

It is unusual to omit from the Annual Report any reference as to your properties. It is no secret that Messrs. Drury and Harty have been working for several years on ideas for expansion of properties. Mr. Harty estimated costs as five to six million dollars. Over a year ago they employed an engineering firm from Cleveland to prepare plans for remodelling and re-equipping your Steel foundry in Montreal.

At the Meeting of Directors held on September 25th last, Mr. Drury announced that a comprehensive report would be submitted to the Board at its next Meeting calling for the spending of not less than $1,500,000 at the foundry. I entered written objections.

At the Meeting held on October 23rd last, Mr. Coverdale joined the Board. The General Manager, Mr. McCoy was brought in to discuss the plans for expansion and had with him full reports, which were not disclosed in detail. Messrs. Angus, Coverdale and Newman were appointed to act as a Committee to consult with Mr. McCoy. As Messrs. Drury and Harty were to act ex-officio, this meant that the Committee's report would carry with it, in advance, a majority vote of the Board. I entered written objections.

At the Meeting of Directors held on November 27th last, the Committee reported that the firm of Coverdale and Colpitts had been employed and that their report would be available in a short time. Amongst other things the firm of Coverdale and Colpitts was endeavouring to compose differences between the ideas of the company engineers and the recommendations of the Cleveland firm on the re-arrangement of the Steel Foundry.

At the Meeting of December 21st last, Mr. Drury announced that the report from Coverdale and Colpitts was not ready, but was promised before the end of December.

I was unable to check rumors that preliminary figures indicated expenditures of from five to nine million dollars, depending on what changes the Committee decided upon, because Mr. Drury had given instructions to Heads of Departments that they were not to give me any information.

The annual Report indicates full employment of your car shops throughout 1945 and I expect this condition to obtain throughout 1946 also. I expressly warned the Directors against anything more than normal replacements during such conditions. New construction, and re-vamping of plants interferes with production, affects working morale and increases costs.

WE DO NOT KNOW WHAT CONDITIONS WILL BE MET IN THE POSTWAR PERIOD, EXCEPT THAT WE CAN BE SURE THAT COMPETITION WITHIN AND ABROAD WILL BE MUCH MORE SEVERE THAN EVER BEFORE. THIS IS NO TIME TO INCREASE THE FIXED CHARGES OF THE COMPANY, BUT ON THE OTHER HAND, IT IS MOST DESIRABLE THAT WE REDUCE THESE AS RAPIDLY AS POSSIBLE.

My opposition to proposals for expenditures on capital account led to serious differences with the senior members of the Board. When in October, 1943, I authorized the retirement of 4,000 preferred shares I cut squarely across these plans. I emphasized my desire and intention that the millions of dollars already received from the agency company, and those still to come, should be devoted to retirement of the preferred shares. Nevertheless, I was restrained from making any further retirements of stock. At the rate of 4,000 shares per year it will take 65 years to retire the outstanding shares. If times get worse and we are able to retire only the annual number of 1,700 shares required by the Sinking Fund provision, the complete retirement will take about 165 years.

The Annual Report does not estimate results for 1945, which I believe will be less satisfactory, under any management, than those shown for 1944. It likewise fails to comment on the declaration of a dividend on the Common Shares. When at the Directors' Meeting of October 23rd last, Mr. Eden pointed out that the proposed program for extensions, which he characterized as "enormous," would preclude any possibility of a dividend to the common shareholders, he was consoled by the suggestion from the Chair that as no such dividend had been paid for 12 years, the common shareholders would hardly miss it.

At the Directors' Meeting of December 21st last, Mr. Drury voiced an expectation of complaints from the common shareholders, who would notice substantial earnings on the Common Shares. He expressed the thought that 25 cents per share (only $90,000) "would not break the company" and that "a little drop of oil" might ease the Directors over any rough spots which might develop at the Annual Meeting. Eventually Mr. Blair Gordon supported me in a motion of "50 cents or nothing." Senator Beaubien and Mr. Newman joined with us, and Mr. Drury thereupon undertook to convey our decision to the absent Directors (Messrs. Angus, Coverdale, Eden and Harty).

After the Company's maximum war effort had been completely organized, I came to the United States in what I thought, and still think, to be the best interests of the Company. We have still to collect a sum of more than eight million dollars on the German Claim Award. Trade missions from all over the world are congregated here, and it is here we must find new lines of manufacture for the post-war period. One possibility which I brought to the notice of the Board last summer could develop into something larger than our own Company. Development of this possibility was taken from my hands in July last, when, as a result of differences with Mr. Harty, with whom Mr. Drury joined against me, my retirement from the Board was requested. I refused to resign, but it cannot be expected that your President will re-nominate me at the Annual Meeting.

I thought it in the best interests of the Shareholders to accept the offer made by the Directors to permit me to continue to work on the Agency matters, under terms which, while generous, do not extend beyond next July. I cannot promise complete success by that time.

As I have no other way of reaching the Shareholders, this advertisement is made at my own expense, as a friend, with no favors to ask.

L. A. PETO.

New York,
January 22nd, 1945.

All of these shares having been sold, this advertisement appears as a matter of record only

40,000 Shares

British American Bank Note Company Limited

Common Stock, no par value

Price: $13.50 Per Share

Circular describing these shares will be sent on application.

Greenshields & Co Inc

20,000 Shares

Wool Combing Corporation of Canada Ltd.

(Incorporated under the laws of the Dominion of Canada)

Capitalization

	Authorised	Issued
Shares of the par value of $5 each	50,000 shares	50,000 shares

Transfer Agent and Registrar: The Royal Trust Company, Toronto

The listing of these shares on The Toronto Stock Exchange has been approved subject to evidence of satisfactory distribution being furnished.

We offer these shares subject to the approval of all legal details by our counsel, Messrs. Fraser, Beatty, Tucker, McIntosh & Stewart, Toronto.

The right is reserved to reject any application or to allot a smaller number of shares than that applied for.

Price: $15.50 per share

yielding about 6.45% on the current rate of dividend of $1 per share per annum.

It is expected that Definitive Share Certificates will be available for delivery on or about January 22, 1945.

These shares are not being issued from the Treasury of the Company and the proceeds of the sale of the same by us will not be paid to the Company.

The Company

Wool Combing Corporation of Canada Ltd. was incorporated on July 16th, 1940, with head office in Toronto for the purpose of establishing and operating a wool scouring and combing plant in Canada to process raw wool into worsted tops. The Company's plant is located at Acton, Ontario.

Earnings for the four years ending December 31, 1944, were as follows:

1941	1942	1943	1944
$7,967.20	$70,016.44	$69,528.20	$75,598.27

Note—The above earnings are inclusive of the refundable portion of the excess profits tax of $798.25 in 1942, $4,876.36 in 1943, and $6,827.98 in 1944.

Net current assets after deducting all liabilities amounted to $176,137.30 as of December 31st, 1944.

Management: The operation of the company is under the able direction of the President, the Rt. Hon. Lord Barnby, C.M.G., C.B.E., M.V.O., the Vice President, Leslie Biggin, and the General Manager and Treasurer, K. Markon, all of whom have been closely associated with the wool textile industry for many years in Canada, England and the United States.

Burns Bros. & Denton, Limited

244 Bay Street, Toronto

Telephone AD. 9371

The information contained herein is based upon statements and statistics which we believe to be reliable. We do not guarantee, but believe the information contained herein to be true.

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Many Corporations are taking advantage of prevailing low interest rates to refund their outstanding bonds.

Such refunding operations make it difficult for investors to maintain a desirable return on capital funds.

Why not consult our nearest office regarding offerings of securities carrying better than average interest rates.

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INVESTMENTS THIS WEEK

What's the Right Price For Abitibi Bonds?

Recent strength in Abitibi Power & Paper Co. bonds is said to arise from calculations as to their possible price provided that the proposed reorganization plan is approved. The old bonds are quoted at around $112 bid to $112½ asked, while the new bonds on a "when issued" basis are quoted $98½ bid to $99½ asked.

The general feeling of investment dealers is that the new bonds may sell around $95 N. Y. (equivalent to $104½ Canada) fairly soon after the reorganization is completed, and that a price of $100 N. Y. a short time thereafter may quite easily be possible, particularly if the company is in the market for many bonds. The new bonds will be callable at par. They are looking for some price appreciation over a period and for a small immediate appreciation when the plan receives the final approval.

Maximum price of the old bonds is calculated to be about $129 Canada. This is based on a price of $100 N.Y. for the new bonds, plus 10% premium on U. S. funds, plus the Dec. 1, 1944 interest payment plus the principal payment of $4.307 to be paid early in 1945.

Chief factor which is expected to limit the bond price is that 52.27% of the principal of each new bond will represent accrued interest and presumably will be ultimately taxable. Thus the value to any individual investor will depend on his tax position or else on his ability to dispose of his bonds before they are called for redemption.

Some institutional interest in the new bonds is reported to have appeared in the market. In view of the tax position of many institutions, many brokers feel that Abitibi bonds will eventually be accumulated by them, and that their estimate of the value of Abitibis will largely govern the price.

• • •

Dairy Corp.-Silverwood

Over 80% of the common stock of Dairy Corp. of Canada has already been deposited for acceptance of the offer of Silverwood Dairies Ltd. which provides for the exchange of Dairy Corp. common stock for Silverwood's common stock on a share for share basis, The Financial Post is informed. As the offer was contingent on at least 80% of the common stock of Dairy Corp. being deposited on or before Feb. 5, 1945 it will now become binding on Silverwood Dairies.

It is expected that a meeting will be held shortly to change the company's name from Dairy Corp. of Canada to Silverwood Dairies (Western) Ltd., The Financial Post understands.

If all the Dairy Corp. common had been exchanged for Silverwood common a year ago, earnings per share on Silverwood's is estimated at about 88c. including, and 55c. excluding, the refundable portion of the Excess Profits Tax. It is assumed that the net profit available to common stockholders of the two companies may be added to give the combined result.

It has been suggested, but not confirmed, that some consideration may be given to raising present dividend rate of 40c. per share per annum on Silverwood Dairies common. Earnings per share of Silverwood's for the year ending Mar. 31, 1944, were 66c. including and 39c. excluding refundable portion of EPT.

Silverwood Dairies common is quoted around $13 bid to $14 asked and has a range during the last year from a high of $15 to a low of $10 per share. Dairy Corp. common stock is currently quoted around $11½ bid to $12 asked with a 1944-45 range from a high of $12½ to a low of $5 per share.

• • •

Canada Northern Power

Recent strength and activity in Canada Northern Power Co. common has been accompanied by reports that the Quebec subsidiary, Northern Quebec Power Co. may be sold to the Quebec provincial government which already has a stake in the power development in that area. The common stock is selling around $10 per share and has a 1944-45 high of $10⅜ and a low of $5½ per share.

A more likely reason for the strength in this stock is thought to be the material improvement in its position which is expected if Canada Northern retires its bonds from the proceeds of the sale of the assets of its subsidiary, Northern Ontario Power Co. Recently it was announced that Ontario Hydro-Electric Power Commission was purchasing all the physical assets of this Ontario subsidiary and that Northern Ontario Power would be wound up. Proceeds from the sale of assets were to be turned over to the parent company and the other security holders.

A further suggestion is that consideration may be given to amalgamating Northern Quebec Power Co. and Canada Northern Power Co. under one name.

• • •

E. L. Ruddy

E. L. Ruddy Co. is expected to report a profit for 1944 slightly less than shown for 1943, The Financial Post understands. The lifting of restrictions on signs has not made much difference to the company, it is believed, due to the difficulty of getting equipment and also due to labor difficulties. The profit for 1943 amounted to $140,155 before deducting bond interest, depreciation and provision for income taxes, actual amount depending on the amount of stock purchased for cancellation, rather than the $45,240 reported in The Financial Post Jan. 20, 1945.

Advertiser desires to discuss with interested party complete financing of new
CANADIAN RAYON
MANUFACTURING PLANT.
Sale of output assured.
Box 144,
The Financial Post, Toronto.

Blue Ribbon Corp.'s saving in annual carrying charges as a result of the issuance of bonds to retire part of its outstanding preferred stock will be about $7,000, the

Managed Investment

No More Changes Now MacNab Manager Says

The Financial Post assumes no responsibility for the specific buy and sell recommendations reported here. The changes and reasons for them are made entirely on the responsibility of two investment managers who have undertaken management of two hypothetical investment funds, the operations of which are reported for readers of The Financial Post.

The buying and selling of an individual security for one of these funds does not, and should not, be interpreted as indicating the wisdom of any individual taking similar action. What is wise for one individual in certain economic circumstances and with a certain list of securities may be entirely unwise for another individual.

Purpose of this continuing feature is to illustrate by actual example, the principles of sound investing based on experience, knowledge and constant attention.

Herewith The Financial Post presents the manager's review of the hypothetical MacNab account.

MacNab's manager indicates that in his opinion no further changes need be made at the present time but that he is prepared to switch his bond holding for stocks if a recession occurs in the market.

MacNab's Manager Says:

Herewith is tabulation of securities held in your account classified as to type of industry. In the management of capital for investment, diversification must be one of the primary factors in the operations.

The number of individual stocks in your account has been reduced from 25 to 20, and a reserve fund of $1,000 Dominion of Canada bonds has been set up pending reinvestment.

As at Jan. 10 the fund's expected income of $538.22 provides an average yield of 5.38%. This compares with 3% yield presently obtainable on long term Government bonds.

It is highly improbable that a capital gain as large as has been obtained in your account will be recorded in future months, and it is also probable that some reaction in market value will occur.

There is no reason to disturb any of the securities now held in your account. If market reaction occurs my intention is to sell the $1,000 bond and reinvest the proceeds in industrial stocks either through the addition of other securities or by adding to your present holdings.

In the month to Jan. 15, 1945, dividends totalling $100.93 were received from your stock and after deducting your monthly payment of $25, the cash in the account was increased $75.93.

The MacNab Fund Now Stands

No. of Shs.	Security	Cost per sh. $	Market* per sh. $	Market Value $	Indicated Income $
	Public Utility				
10	Winnipeg Electric Co., 5% pref.	66½	81-2	$810.00	50.00
5	Bell Telephone Co. of Canada, com.	160	163-4	815.00	40.00
	Transportation				
10	Canada Steamship Lines, 5% pref.	40	40¾-41	407.50	25.00
25	Can. Pac. Rly. Co., com.	12	13⅜-½	334.37	25.00
	Food Products				
25	Laura Secord Candy Co., com.	16	15¾-16	400.00	20.00
14	National Grocers Co., com.	12½	12½-¾	175.00	7.00
10	Federal Grain Co.	60	66-8	660.00	60.00
	Building Materials and Construction				
15	Asbestos Corp., com.	21	22¼-½	333.75	15.00
20	Building Products, com.	19	19-19¾	380.00	12.00
	Heavy Industries—Automotive, etc.				
10	Massey-Harris Co., $1.25 pref.	21½	24-24½	240.00	12.50
25	National Steel Car Co., com.	18¾	19¼-¾	481.25	25.00
20	Ford Motor Co. of Canada, com.	25¼	25¾-26	515.00	....
	Beverages and Distillers				
15	Distillers Corp. Seagrams, com.	39	43½-44⅞	652.50	33.30
8	Canada Malting Co., com.	50	51-52½	408.00	20.00
	Pulp and Paper				
15	Price Bros. & Co., com.	35½	35¼-½	532.50	22.50
	Mining				
10	Cons. Mining & Smelting Co., com.	50	51-½	510.00	25.00
50	Bralorne Mines, com.	14½	15¾-16	737.50	60.00
25	Hollinger, com.	10	11-12	275.00	11.50
	Miscellaneous				
5	Moore Corp., com.	57	59-¾	295.00	14.42
50	Royal Bank of Canada, com.	15	15¼-¾	762.50	30.00
	Bonds				
$1,000	Dom. of Canada, 3%, due 1962	100		1,000.00	30.00
				10,774.77	538.22

Average yield 5.38%.
*Market valuations as at Jan. 10, 1945.

Uninvested cash	$106.10
Dividends received less $25 payment	75.93
Total cash held	$182.03

THE SHAWINIGAN WATER AND POWER COMPANY

First Mortgage and Collateral Trust Sinking Fund Bonds, Series "H" 3½%

Due January 1, 1970

Price: 100 and accrued interest to yield 3.50%

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355 St. James Street West, Montreal
Branches in the principal cities of Canada

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$765,000
City of Halifax
2½%—3%—3¼% Serial Debentures
(non callable)

To be dated January 2, 1945 *To mature January 2, 1946-1965*

Principal and semi-annual interest (January 2 and July 2) payable in lawful money of Canada at the office of the City Treasurer or in the cities of Halifax, Saint John, Montreal, Toronto, Winnipeg and Vancouver, at the holder's option.

Debentures will be issued in denominations of $1,000 and may be registered as to principal.

Maturities and Prices

2½% debentures due 1946-1950— } SOLD
3 % debentures due 1951-1955— }
3 % debentures due 1956-1960— 100.00 to yield 3.00%
3¼% debentures due 1961-1965— Prices to yield 3.10% to 3.15% according to maturity.

Accrued interest to be added

We offer these debentures if, as and when issued and accepted by us and subject to the approval of Counsel.

Gairdner & Company Limited G. E. Leslie & Company
Cornell, Macgillivray Limited

The statements contained herein are based upon information which we have received from the Commission of Finance, but are in no event to be construed as representations by us.

CANADA'S MOTOR TRANSPORT INDUSTRY
Asks for this 6 POINT PROGRAM
FOR POST WAR PROGRESS

1. Unshackle Wartime Controls

At the earliest possible moment regulation of inter-urban motor freight carriers should be returned to the provincial authorities. There should be no duplication of authority on the part of the Dominion Government. And as soon as critical supplies are again available, operators should be free to return to their peacetime practices.

2. Make Available Equipment and Supplies

Truck operators, at present unable to buy new equipment are operating at tremendous maintenance costs, vehicles which should be off the road. An adequate supply of parts should be assured immediately . . . and truck and trailer quotas increased so operators can get new equipment as quickly as possible.

3. Remove the 3c Federal Gas Tax

No similar tax has been applied to other forms of transportation. Next to labor, the second largest item in a carrier's operating expenses is gasoline. Due to added taxes and price increases carriers are paying 37% more for every gallon of gasoline.

4. Provide a Sound Uniform Rate Structure

Only three of the nine provinces have motor freight rate regulations. All provinces, in the public interest, should have standardised rates. And the Federal Government should abolish the vicious and unfair "agreed charges" allowed railways in the Transport Act of 1938.

5. Remove Artificial Trade Barriers

Federal legislation prohibits the use of through truck traffic on that part of the Trans-Canada highway passing through the national parks of Western Canada, thereby depriving people of Western Canada the full benefits of this important artery.

6. Permit Trucks to Carry Goods "In Bond"

As a means of facilitating traffic between United States and Canada, the customs regulations should be amended to permit trucks to carry "In Bond" goods in transit—a privilege now enjoyed by all other transportation agencies.

All the above measures are advocated by the Canadian Automotive Transportation Association in their submission to the House of Commons Special Committee on Reconstruction and Re-Establishment. A copy of the entire document may be obtained by writing the Association at 2 Toronto Street, Toronto, Ontario.

Fruehauf Trailer Company of Canada Limited
Toronto, Ontario Montreal, Quebec

32,000 Postwar Jobs

Aside from the vital service motor transport can render industry in the gigantic task of reconversion and reconstruction, it is a mighty factor in postwar employment. For instance, the motor transport industry in Canada employs over 450,000 persons — more than all other forms of transportation combined. Inter-urban carriers alone declare they can absorb 32,000 returning men. Any industry that has employment possibilities like this should be encouraged.

Fruehauf TRAILERS
"Engineered Transportation"

The Editorial Page . .

The Way to Lower Living Standard

Among the many excellent addresses which the season of presidential reports produces, those of A. N. Mitchell, president, Canada Life Assurance Co. are outstanding for their forward-looking nature and their sound social and economic sense.

One point made this year by Mr. Mitchell which, if comprehended widely enough, would save Canada oceans of grief and let us get on with the job of building soundly for a better Canada for all Canadians is this:

"It is time to realize that regimentation ultimately destroys not only individual opportunity and freedom, but leads the hobbled peoples finally into lower standards of living. Assumption of power over the lives and actions of their fellow-citizens by a politically aggressive few, in the name of the state—call it Fascism, Nazism, Socialism, Collectivism, State Control, Planned Economy, or what have you—must always lead to some form of autocracy and much lessened individual freedom. The so-called planners must have power to force compliance with their orders, if their plans are to be effective. No Socialist-planned economy can operate without each citizen yielding to the planners his previous rights of choice, decision and action."

"Most Reassuring Index"

Charles A. Roy, president, the Provincial Bank of Canada, was certainly right when, in his address to shareholders, he said:

"A considerable reduction in government expenditure after the war, a reduction in taxes of all kinds and an annual reduction in the public debt after the war would be a more reassuring index to businessmen than any other which the government might adopt as its future fiscal policy."

Will TCA Stay Up On Its Toes?

Retirement of O. T. Larsen as vice-president in charge of operations, Trans-Canada Air Lines, marks both a milestone and a turning point in the administration of this important national property.

Mr. Larsen was one of three men who came to Canada seven and a half years ago to help establish and organize TCA. He was brought here by his "boss" the late Philip G. Johnson, on invitation of Hon. C. D. Howe. The other member of the triumvirate, D. B. Colyer, went back to the United States about three and one half years ago.

To these three men, the TCA owes in large measure, the high quality of its service and the excellent tradition of operating efficiency which has generally marked its present life. These men were skilled operators with a fine background of experience. Their contribution to the building of a new national and international service has been very considerable. They brought to Canada an invaluable "know how" in topflight urban airline operation; something which it would have taken many years for us to achieve and perfect ourselves.

Now TCA is "on its own." It must fall back, for the first time in seven and a half years, on purely Canadian personnel—on the men who received their training with Johnson, Colyer and Larsen.

There will be the continuing goad of U. S. competitive service across the border or entering Canada at border points, against which to measure the maintenance of high Canadian standards.

The fear, of course, is that the dead hand of monopoly may creep into the picture. Monopoly in business, whether by private capital or government bureaucracy is invariably deadening. Until the government's misguided and deplorable decision to slap down a second Canadian system such as CPA, there was enough rivalry among these two to keep TCA on its toes in the domestic field.

There would be less concern about the future of TCA if the government's domestic policy in respect of aviation provided free play for reasonable competitive enterprise. So long as it refuses to do this, the threat that TCA may gradually be willing to rest on its oars will increase.

Businessmen Should Go Overseas

Canadian officialdom recently finally got around to making arrangements whereby Canadian businessmen may be able to get to occupied Europe; to pick up and mend the threads of old business connections, to explore for new ones.

It was about time. Washington has had a similar provision since October 25.

Recent information to us was that though there are relatively few U. S. businessmen actually in France at present, some 30 or more were in Britain awaiting transportation, and several score of them are now en route to Britain on the first lap of their journey. Arrangements for the visit of some 45 British businessmen to the continent have been made, according to the same source.

True, the granting of a permit by government authorities is only a "hunting license"—a license to hunt for transportation. It gives no priorities. True, also, the transport difficulty is getting from London to Paris.

But Canada's foreign trade future is of such momentous importance to the future of Canadian business and to all Canadians that we trust alert Canadians will soon be joining this procession and that our officialdom will exert itself to the utmost in speeding and facilitating their movement.

Will They Help Win the Peace?

Tens of thousands of Canadians are now linked with some voluntary organization helping win the war.

What happens when the fighting is done? When peace comes, there is another great fight to win—the fight for a vigorous, united Canada, meeting the needs and aspirations of its people.

Under the heading, Postwar World, elsewhere on this page, Hon. Brooke Claxton, minister of national health and welfare, raises this issue which is the concern of every active, articulate Canadian.

He points to the invaluable work done for war by voluntary committees and organizations of which the National War Finance Committee is just one good example.

He asks if all these thousands of people are going to stop working for their country and for their fellow Canadians "just because we are no longer engaged in killing Germans?"

It is very much to be hoped that they do not. There is a multitude of peacetime jobs for these groups to do. It isn't only that these volunteer bodies do essential work at little or no cost to the taxpayer; that they obviate the need for setting up new branches of government bureaucracy with its inevitable and natural animal instinct for self-perpetuation.

The great value of these voluntary bodies is the active, positive kind of citizenship which they bring out and foster. Not one person who has sincerely participated in these wartime activities has missed gaining a greater sense of responsibility for our national affairs; a greater understanding of national possibilities.

If Canadians carry over into the peace something of the same determination, the same unity of purpose on basic aims of national policy, the same consciousness of the need for individual participation in public affairs, the outlook for this country is thrilling indeed.

Taking Back the Fighters

Every kind of business faces the grave and vital problem of providing the right kind of job for the employee who returns from the fighting services. Very obviously the office boy who returns a squadron leader isn't satisfied with his office boy job back again.

Banking seems to us to be one of the industries in which this problem of putting soldier-employees into jobs suitable to their increased maturity and experience must be exceedingly difficult.

Hence we found a recent advertisement of the Bank of Montreal particularly interesting. Here is this bank's formula for tackling this problem: Each man's salary and position is reviewed each year and the increases he would reasonably have expected had he been able to remain have been entered to his record. Upon his return, these amounts will be added to the salary he was receiving at the time of his enlistment.

While the employee is away, the bank is making both its own and the employee's contribution to the pension fund. The bank is paying up the serviceman's contribution to the group life insurance plan. It is standing the extra cost of war risk coverage. On their return, the serviceman is offered two weeks' leave with pay, then a refresher course before taking over the post to which he is most suited and wherever possible he will be stationed in the community of his own choosing.

Read your insurance policy—all of it, including all the fine print. The recent judgment of the Ontario Court of Appeal holding that the ordinary fire insurance policy does not cover a dwelling which is vacant or unoccupied for more than 30 consecutive days will be news to a great many people. Reading all the terms clients may find quite a few other conditions they didn't know about.

The Postwar World . . .

In this department The Financial Post notes current comment, opinion and research on the world that will face us after the war has been won.

Let's go on working when peace comes

Herewith an important section from an address delivered this week to the Canadian Club at Toronto by Hon. Brooke Claxton, Minister of National Health and Welfare.

During the war a thousand and one voluntary organizations have given their time and services for the common cause. The Canadian Red Cross, the women's volunteer services, the ration boards of the WPTB, the dependents allowance committee, the Civilian Rehabilitation Committees, the War Finance Committee, the Dependents Board of Trustees and many others have all helped magnificently.

Are they all going to stop working for their country and for their fellow Canadians just because we are no longer engaged in killing Germans?

Isn't the next job going to be to prolong and help the lives of Canadians? We are going to convert war industry from war to peace. What about converting war services from war to peace?

I believe that many of these organizations can be converted to peace and used to extend the benefits of the social welfare and health programs at the community level so as to form a great fighting force for peace, fighting to raise the level of each community, fighting positively for peace.

The Canadian people probably have the second highest standard of living in the world today. After the war the Canadian people expect, and expect rightly, to have a higher standard of living than they have ever known and they want it without any more control or regimentation or government interference than is necessary to do the job. Freedom must be the meat in the postwar prosperity-security sandwich. To obtain all these will require continued intelligent planning and a realistic appreciation of what will happen if we don't work together.

Unity is the key to all action. The war has united Canadians in a common purpose to a greater degree than ever before. On foreign fields, Canadians of English and French and every other origin, are fighting for our freedom—fighting shoulder to shoulder with equal courage, equal skill and equal devotion. The example of our fighting forces should be an example to all of us. To stir race against race at home is stabbing them in the back.

We all need to make a better effort at knowing and understanding the other fellow. Take French Canada, for example.

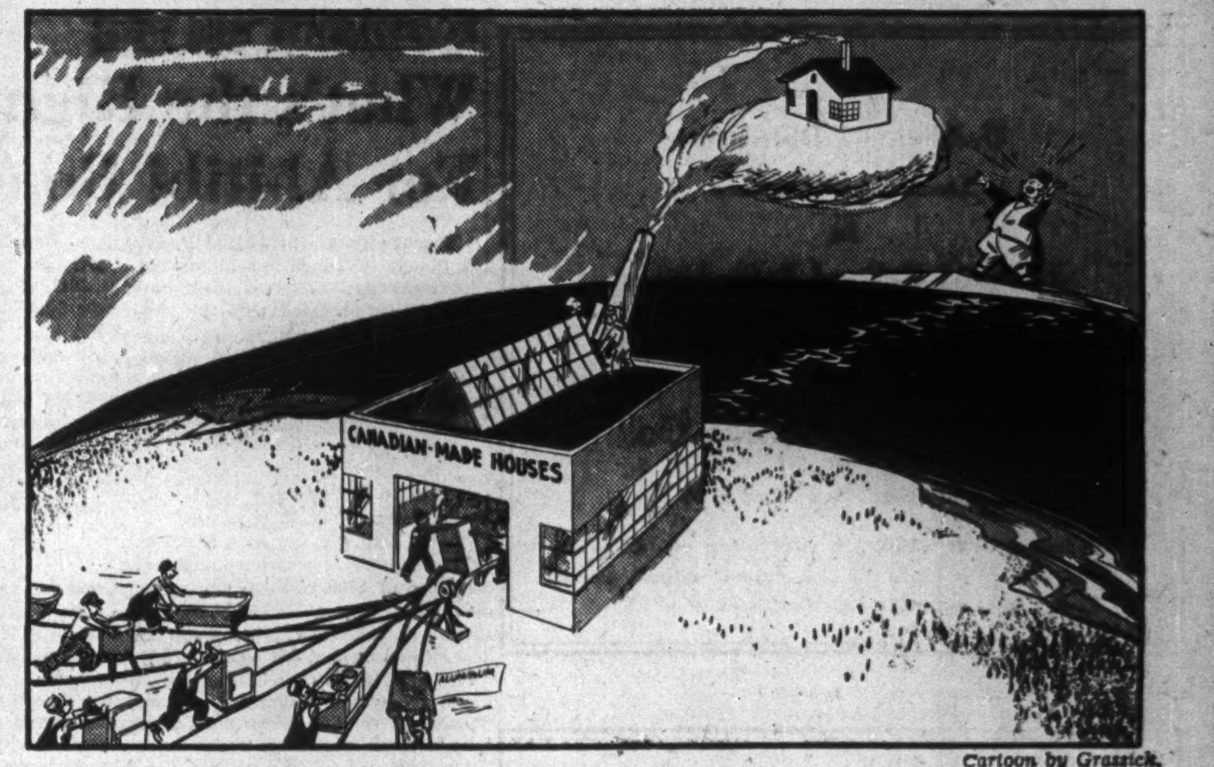
Here we have a people who have been in Canada twelve generations. They were "Canadians" at the time of the cession in 1760 and even then called the French from France "foreigners." Like other human beings their first aim has been survival and to survive they have, like other people, made the most of their racial characteristics. Race, language and religion combined to isolate them from many outside influences. Their only emotional attachment was naturally to Canada, the land of their birth, the land of their forefathers. When war came Canada was not in immediate danger and it required a good deal of imagination for them to believe that the shores of Canada had to be defended on the shores of the Mediterranean or the coasts of Britain.

Given this background and this outlook, the participation of French-speaking Canadians in the war has been very much fuller than some of you have been led to believe. No one has questioned the courage or skill of the French-Canadian units or airmen or sailors. Thrilling stories of individual escapes, like those of Robillard, Angers, Masson and others are epics of resourcefulness and cold courage. On the industrial and economic fronts participation has been complete.

On the war front, French-Canadians have enlisted voluntarily in numbers six times as great as in the last war.

If there is one man who strikes at the heart of Canada it is the man who today raises strife between groups, between capital and labor, between farmers and industrial workers, between one race or one religion and another. Nothing could serve Hitler's cause better than to have such division at a time like this. Because people are feeling the strain of war makes them susceptible to the development of divisions at home or between nations. There is no more certain way of helping Hitler and prolonging the agony of war than to do anything today which creates misunderstanding or disunity between groups or peoples. We should make it easy for all of us to be good Canadians by behaving like good Canadians.

We have all taken off our coats to work for our country in war. After the war we must keep them off and work for Canada together. Canadians must be ready to celebrate victory with a fresh output of concerted effort for the welfare of the people of Canada.



Post News Item—Canada may supply Britain with emergency housing—300,000 units are needed.

Cartoon by Grassick.

Post-Scripts . . . .

He Runs Soldier Settlement

Gordon Murchison is very much in the limelight these days. And increasingly so, as more and more men come back from overseas wanting to settle "on the land" or get themselves a nice acre or two of ground where they can grow chickens, apples and what not.

MR. MURCHISON

Mr. Murchison is Canada's longtime No. 1 expert on soldier land settlement. His official title is Director Soldier Settlement and Veterans' Land Act.

He is well-equipped for such a job. His people were farmers in Bruce County (Ripley, Ont.). Young Gordon grew up with the land and loved it. When he was old enough in 1906, he headed for western Canada and homesteaded at Kindersley, Saskatchewan. When he arrived at the railway station he walked out on the prairie and chose the 160 acres he liked best. He broke the ground behind oxen.

He stayed on his farm until war came. Returning from overseas, he got into the administration side of land settlement as district superintendent in northern Saskatchewan. Then he came to Regina and, except for three years when he "took it easy" in and around Vancouver, he has been in that kind of work ever since. In 1935 he joined the Canadian Farm Loan Board organization as chief executive officer for Alberta. In 1936 he came to his present post under the Soldier Settlement Act.

What pleases him particularly about the new situation that looms ahead is the "safety valve" provision of the present act under which World War soldiers will take up land settlement. This is the clause providing for establishment of a returning veteran on a small holding of land near or close to an urban centre or some other form of employment. Under this new section of the act, veterans who have a hankering for the land can be established on a small plot varying from one to 10 or 15-acres in size. The Board will have responsibility for seeing that the soldier and his family (if any) is equipped with reasonable housing and that the plot is adjacent to employment opportunities so that there will be other sources of income beyond the ground itself. He thinks this will prove a valuable outlet for thousands of men who want a stake in the land, but who lack sufficient training and background to warrant their undertaking big farming responsibility.

Mr. Murchison expects that possibly as many as 10% to 15% of the veterans of this war (not likely any more) will want to take advantage of the provisions of the new act. At the most he doesn't expect there will be more than 75,000 or 100,000 applications all told. The actual figure may conceivably fall somewhat below that. That does not mean there will not be more soldiers buying small plots of ground or going into farming. But many of these under the present generous provisions of the War Service Gratuities Act, will do this on their own without being beholden to the Soldier Settlement scheme.

• • •

Our Australian Guest

The new Acting High Commissioner to Canada from Australia, Lt.-Col. W. Roy Hodgson, O.B.E., left his homeland over three months ago with 65 lb. of baggage. He expected to be home by Christmas. Instead, he's been named to replace (temporarily) Sir William Glasgow at Ottawa and doesn't know when his clothes, furniture or family will catch up with him. The furniture is important because much of the silver, glass and other furnishings of the High Commissioner's residence belonged to Sir William personally and went back to Australia with him.

Colonel Hodgson is a high-ranking permanent civil servant. His opposite number in Canada is Norman Robertson, Under-Secretary of State for External Affairs. His own title in the civil service is Secretary for the Department of External Affairs. In fact, he is pretty much the father and architect of Australia's "Foreign Office." He came to it in 1934, from an army career and has built it from a few clerks and a liaison officer in London to a department employing some 350, a budget of £400,000 and with representation in nine world capitals. This is the first time a permanent civil servant in Australia has been promoted to a high ministerial office.

Going back a few steps farther, Col. Hodgson is a native of Melbourne who decided upon an army career. He was one of the first graduates of Australia's Royal Military College at Duntroon. This is the college established as a result of a report made by Lord Kitchener in 1909. Hodgson entered the college in 1911 and graduated in 1914 just in time to be ready for World War I. He was at the original landing at Gallipoli, a Lieutenant in the 2nd Field Artillery Brigade; was awarded the Croix de Guerre with Palm and suffered a leg injury which left him flat on his back for two years, and with a permanently shortened leg.

From 1917 to 1934, he was attached to Army Headquarters in Melbourne specializing in intelligence, training and operations for the Far Eastern affairs. During this period he found time to acquire a law degree and degrees both as a chartered accountant and a cost accountant (A.F.I.A. and A.C.A.A.). In 1934, he transferred to the civil service to assume direction of the newly-formed Department of External Affairs.

One of the developments about which he feels proud, is the Diplomatic Cadet scheme under which a steady stream of applicants for Australia's diplomatic service is kept flowing into Canberra. In the three years since this plan started, there have been some 3,000 applicants for 36 jobs (12 a year). The scheme is open to young men and women 17 to 25 years of age. The most promising of those who try the exams are given an "oral" examination before a special board. He regards the plan as highly successful. It is now part of the permanent program for expanding the service.

Col. Hodgson came from Australia as one of the delegates to the Commonwealth Air meeting at Montreal and the International Air Conference at Chicago. After these meetings he flew to Britain to discuss governmental matters. While there, he was named Acting High Commissioner to Canada. He arrived back in Canada by air last week.

He thinks the great lesson of Chicago is that nations should never again attempt a conference of this importance without more careful and adequate preparation before hand. He is not too greatly disappointed that Australia did not achieve its goal of an internationally owned and operated service; thinks the effort was well worth while.

He finds Canadians blunt and outspoken in their commonwealth and international conferences contacts—much like Australians themselves. He doesn't mind that because it is usually accompanied by frankness and sincerity. "You always know what a Canadian thinks, because he doesn't hesitate to speak his mind freely," he says.

• • •

Behind the Box Office

The man behind the Famous Players box offices that some 2,125,000 Canadians step up to every week is Reuben Wilmer Bolstad, vice-president and treasurer of that giant entertainment organization which now operates 311 theatres across Canada.

MR. BOLSTAD

Collecting taxes is one of his big jobs. He is doing this for the Canadian people to the tune of about $10 millions a year. Famous Player employees number about 3,000; the payroll is about $6 millions.

J. J. Fitzgibbons is president and managing director of Famous Players Canadian Corporation. This is the story of his money man.

Born at Fertile, Minnesota, in 1901, (his ancestry is Norwegian) young Bolstad became clerk in the local bank in 1919, then became an accountant and that way got into the theatre business in 1925.

In 1930 Mr. Bolstad came to Canada, as comptroller of Famous Players, with his Minneapolis-born wife.

This week Famous Players Canadian Corporation is celebrating its 25th anniversary. At birth it was an 18-theatre outfit with its "flagship" the old Regent Theatre in Toronto, now torn down. Original directors were N. L. Nathanson, carriage-maker J. P. Tudhope of Orillia, lumberman W. J. Sheppard of Waubaushene, J. P. Bickell of the gold mines and Hon. W. D. Ross, ex-lieutenant-governor of Ontario.

The Fitzgibbons-Bolstad era in Toronto has seen the movie business enormously develop in its public service aspects as an instrument of public education. This has been demonstrated particularly during the war in features and short pictures building morale, explaining and winning support for public policies like rationing, victory bond buying, etc.

Stop Me If . . . . .

A Cockney, noting what taxes he pays on smokes and beer, observed:

"Blimey, how could we pay for the war if fellers like us didn't drink or smoke? It seems to me that teetotalers and nonsmokers are nothin' but blinkin' fifth columnists."

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Other People's Views . . . .

The Canadian Editorial of the Week

One Election Issue

Winnipeg Free Press

It is fairly obvious from the speeches being made by Premier Drew of Ontario that the problem of Dominion versus provincial rights is going to be sharply raised in the next general election campaign.

Mr. Drew has been, in one way or another, conferring with the other provinces, and it is likely that the general line of the conversations is to tell them that all, or nearly all, of what they want can be achieved inside the strictest and most narrow interpretation of the constitution: the Dominion's role to be confined to the raising of large amounts of revenue which is to be handed over to the provinces for their use.

Provincial autonomists regard Confederation virtually as a compact between nine sovereign states (the provinces) which have, for purposes of their own, given certain limited powers to the Dominion which is to fulfill a useful but strictly delegated function in the provision of certain services which can be best administered by it on behalf of the nine sovereign provinces. The theory has no basis either in history or in law.

Such a theory of government cannot successfully subsist alongside our need to create an ever stronger and more united Canada. What is needed is the strengthening and not the weakening of the taxing powers of the Dominion, for it is only by doing so that we can, in this country, create conditions of security and economic opportunity approximately equal for all Canadians from coast to coast. Without that, much of the real basis of citizenship and the real substance of provincial and local autonomy disappear.

It is then for this reason that the negotiations which now appear to be under way whereby conferences of the nine provinces may supersede either a Dominion-provincial conference or the power of the Dominion itself should be regarded with grave doubt and suspicion. The consequences of such a change in the relation of the provinces to the Dominion would ultimately result in the fragmentation of the Canadian state, and the reduction of the Federal Government to a ludicrous and subsidiary role. Such a prospect is one to give every rational Canadian pause.

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As Others See Us . .

Canada's Governor-General

Edmonton Bulletin

There is a movement afoot, sponsored by The Financial Post of Toronto, to urge the appointment of a Canadian as Governor-General of this Dominion.

The proposal is a bit of an effrontery, not because a Canadian would not fill the high post as acceptably and capably as an Englishman, but because the appointment is entirely within the giving of the King and any attempt to influence his decision in the matter tends to disturb the nice balance of the situation.

It is true that the Canadian Government usually makes suggestions before an appointment is made. But these are quite informal and are not intended to restrict His Majesty's absolute freedom of choice.

It is obvious that the entirely unrestricted nature of the King's choice in this matter is of the very essence of Canadian independence and sovereignty. For the King reigns in this country, not because he was crowned King of England, but because he was crowned, specifically, King of Canada.

It does not matter at all, then, whether he selects an Englishman or a Canadian. What does matter is that his choice be a free and personal one.

Editor's Note: The Financial Post "sponsors" no such movement. The matter is frequently discussed in public and private, hence is an appropriate topic on which to get an expression of opinion from articulate Canadians.

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Tariff Reductions

Pictou Advocate

Recently The Financial Post put this question to a group of informed Canadians: "If United States now offers sweeping tariff reductions, what should Canada's answer be?"

Experts will not be required to show that sweeping reductions in the tariffs would be of great benefit to the Maritime Provinces. Furthermore, since tariffs are not necessary to provide revenue, those who formerly clung to them for that purpose will not offer serious objections. The income tax, a just tax, is a more sensible source of revenue for the Federal Government, which now has learned what can be done with it. Coming from Toronto, recent suggestions for tariff revision are doubly interesting.

• • •

The Mail-box

No Fun in the Dark

As a postwar planner in tourist trade I read with more than ordinary interest the comments on your question, How Can We Boost Tourist Trade? Your commentators offer many fine suggestions, but all forgot the most important one: namely electrify the country.

How can any tourist business operate safely, efficiently and on a high standard without this commodity?

Especially in those districts where Nature is finest the tourist has to go to bed with a kerosene lamp. That type of fun does not last long.

The Gatineau Lievre district from Buckingham to Mount Laurier is one of the most beautiful spots in the world, but there is no electricity for 100 miles around. The irony of it? The High-Falls Power Dam is right in the very heart of this district.

With the best roads, etc., in the world you cannot boost tourist trade in the dark and the Government does not seem interested, at least not in Quebec.

Yours truly,

Verdun. R. YANSE.

• • •

What The Papers Say

All Farmers Honored

Barrie Examiner

A marked honor was done to Simcoe county farmers when the Bank of Toronto appointed to its board of directors, J. J. E. McCague, nationally known Holstein breeder and prominent in other branches of agriculture.

• • •

Thanks to Social Credit

Calgary Herald

There is a substantial shortage of houses in Alberta cities and towns. Lack of materials and lack of labor will persist until the end of the war and even into the postwar years. However, the main obstacle is lack of credit. Very few people have enough cash to pay for the building of a home. Prior to the election of the present Alberta Government loans could be obtained from lending institutions. Since 1936 Alberta has been almost entirely shut off from such sources of borrowing.

The responsibility rests on the Social Credit Government at the present time to re-establish the credit of this province as quickly as possible. Had that credit not been destroyed in the first years of Social Credit administration, thousands of homes would have been built and the present congestion would not be nearly so severe.

There is no use criticizing the loaning institutions because they feel that the actions of the provincial government made investment in mortgages in this province too great a risk. The course to follow is to restore Alberta's credit so that loaning may be resumed.

This province has learned a bitter lesson on the cost of destroying it.

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Sayings of the Week

"We shall cure Germany not with vitamins and medicines, but with surgery."—*Ilya Ehrenburg, Soviet writer.*

• • •

"Europe needs a salvation army more than any other kind of army."—*Lady Astor, American-born British M.P.*

• • •

"For every job that was lost when the wagon and carriage trade disappeared, at least six new jobs were created in the automobile industry."—*Colonel Willard Chevalier, vice-president, McGraw-Hill Publishing Co.*

• • •

"The bureaucrat is neither wiser nor better than you or I doing the same job for ourselves. He is merely more irresponsible. His mistakes are on the house."—*Eric A. Johnston, president U. S. Chamber of Commerce.*

Resume Provincial Income Tax Collections?

The Question: Leave collection of all income taxes with the central government? Or return to the pre-war division, with collection by the provinces as well?

G. H. Aikins

President, Manitoba Sugar Co., Winnipeg.

The present system of collection of all income taxes by the Federal Government obviates many conflicting claims, evasions and much duplication of work and its continuance is to be strongly recommended if equitable arrangements with the respective provinces can be reached or maintained.

* * *

G. H. Castelden

CCF M.P. for Yorkton, Sask.

With most industrial and financial concerns established in larger central cities drawing their revenue from outlying provinces and thus leaving those provinces without revenue from that wealth, I am of the opinion that competent federal taxation of corporation and income is most fair, I would favor use of such moneys for maintenance of high national standards of health and education in normal times. This should not prevent the provinces from levying further tax on remaining high income if they so desire. I consider present corporation and income regulations inefficient.

* * *

K. B. Carson

Saint John, N.B.

I would regard reinstitution of the pre-war system of income tax collection as a retrograde step. While unable to approve further federal invasion of the provincial taxation field as a general principle, it certainly has been proved that federal authority as sole agency for income tax collection can operate more economically and efficiently than conflicting authorities. Therefore, I favor necessary postwar constitutional adjustments to retain the present collection system and regard existing compensatory provisions in Dominion-provincial agreements as satisfactory with slight revisions making for regional adjustment.

* * *

W. H. Carter

President & general manager, Winnipeg Electric Co.

The provinces have surrendered to the Dominion for the duration of the war and one year thereafter all income and corporation taxes. Following upon this agreement the Dominion, for war purposes, has imposed taxation upon incomes and corporations at extremely high levels. It seems certain that the Dominion will need to continue in peacetime to obtain very large revenues. Inasmuch as the soundest tax structure is one based upon taxation of income, it is my judgment that the Dominion will, of necessity, continue in peacetime to impose a high level of taxation on income. Such being the case, I think the provinces should not be required to superimpose double taxation upon the same incomes. In my opinion there should be such adjustment of Dominion-provincial financial arrangements as would make this unnecessary.

* * *

C. G. Dunn

President, Quebec Chronicle-Telegraph.

The BNA Act places direct taxation—which includes assessments upon income—under the jurisdiction of the provinces. During World War I the Dominion took the power to collect income tax as a war measure and never withdrew from it. I am strongly opposed to duplication of taxation and believe only one government should levy upon incomes. Under the constitution this should be the Provincial Government, but if there is genuine advantage in having the Dominion do it, I can see no objection provided the BNA Act is first amended by agreement with the provinces who will have to surrender their jurisdiction permanently.

* * *

W. R. Drynan

President & general manager, Canadian Canners Ltd., Hamilton.

I favor leaving collection of all income taxing with the Federal Government. The present method apparently has worked out satisfactorily. It is, or should be, more efficient and more economical; it keeps before the taxing authority the full extent of the income tax burden. It might further act as a curb on provinces putting into effect a lot of postwar visionary projects based on the possibility of tapping this source of revenue for financing purposes.

* * *

Kenneth Drury

Editor, Daily Times, Victoria, B.C.

No taxpayers of my acquaintance favor reverting to the pre-war practice of collecting income taxes through both federal and provincial agencies.

To abandon the present system of unified collection would be a retrograde step so far as the convenience of the taxpayer is concerned. This is altogether apart from the additional expense that would be involved in re-establishing and maintaining machinery for dual collection, with one organization having largely to duplicate the work of the other.

* * *

W. C. Hipple

Mayor, Sarnia, Ont.

The income taxpayer has carried his share of the war effort without much comment. There is no doubt he would like to get some relief while at the same time he wants victory first. On the other hand, he does not anticipate a reduction in the federal tax then an addition by the province. There was always more ill feeling toward the additional tax by the province in pre-war days than was ever expressed by the taxpayer against the extraordinary taxes needed to win this war.

* * *

Gordon B. Isnor

Merchant and M.P., Halifax, N.S.

To avoid unnecessary overlapping and confusion, I favor the collection of all income taxes by the Federal Government. This method should prove more efficient, give a greater check and fairer administration than if carried out by the provinces. It will also, I believe, be more readily understood and acceptable to the taxpayer. This, of course, will mean an extension of the present arrangement and perhaps a further review so as to work out an equitable financial adjustment between the Federal and Provincial Governments.

* * *

Wellington Jeffers

Financial editor, The Globe & Mail, Toronto.

Why not have a common collection agency which, for the sake of efficiency and economy, would send consolidated accounts of Dominion and province to each citizen? The latter can judge better that way whose demands lead to the taxes and where the money goes. Taxpayers more and more after the war will need to know whom to hold responsible and accountable for increases in taxation and whom to thank for decreases. Decisions on how best to bring about such common collection could best be decided at an international gathering of premiers and provincial treasurers with the finance minister.

* * *

Bernard Lockwood

General manager, Maritime Life Assurance Co., Halifax.

I am definitely in favor of leaving collection of all income taxes with the Federal Government and of any measures to prevent and avoid duplication of collection and administration costs.

* * *

H. G. Long

Editor, Herald, Lethbridge, Alta.

There should be no duplication of taxation machinery as between the Dominion and provinces where it can be avoided. It must be realized, of course, that unless there are constitutional changes of the nature recommended in the Rowell-Sirois Commission report, there is bound to be a clash of authority when the war is over, and duplication is almost certain to result. For that reason it is highly desirable that a Dominion-provincial conference be convened as soon as possible to deal with the whole question of reallocation of tax revenues and governmental responsibilities.

* * *

Cameron R. McIntosh

Managing editor & publisher, The News, North Battleford, Sask.

I strongly favor leaving collection of personal and corporation income taxes, plus succession duties, to the strong arm of national government. The pre-war policy of decentralized collection should not obtain in war or the immediate postwar period. Centralized collection is better until fighting and reconstruction activities subside. Overmuch control by government, federal or provincial, is not conducive to Canadian welfare but when reason rather than political motives apply in emergency conditions the status quo is preferable. Centralization is fairer, more convenient and economical. Further, this would better harmonize with the new world order Canadians must help build. In this mighty task provincial and Dominion co-operation should lead the way, and thus we would have minimum jurisdictional squabbling. Hands of the provinces unshackled would make a greater contribution to economic solidarity and Canadian nationhood.

* * *

R. G. McInerney, M.L.A.

President, Saint John Board of Trade.

The Board of Trade has expressed itself in favor of leaving collection of all income taxes with the Federal Government and not reverting to provinces or municipalities, and that the provinces and municipalities continue to receive annual grants in lieu of these taxes.

* * *

A. R. Mosher

President, Canadian Congress of Labor, Ottawa.

I believe federal collection of income taxes is by far the most efficient and generally satisfactory system, with grants to the provinces where necessary to supplement their revenue for providing adequate social services. The Federal Government should supervise expenditure of such funds. It is more convenient for taxpayers to deal with one collecting body while incomes are determined by national rather than provincial policies. National unity demands greater centralization and co-ordination of governmental activities and a national rather than a provincial outlook. Present income tax procedure tends to promote this and should be continued.

* * *

Prof. L. Richter

Dalhousie University, Halifax, and editor Public Affairs.

The Rowell-Sirois Commission has recommended that provinces and municipalities should withdraw entirely from the income tax field. If this were done a single agency would be responsible for the collection of income tax. But such an arrangement is also feasible and desirable even if provinces and municipalities should again levy income tax.

Controls of income are likely to be stricter and tax rates higher after the war than they were before. New and improved techniques of administration would be called for which would have to be applied by a comparatively large staff of experienced civil servants. It would seem to be wasteful if this elaborate work were duplicated on the federal and provincial levels and it would be most dangerous if a different practice and conflicting policies were applied by the agency concerned. There should be only one tax collector even if various governments share in the tax revenue.

* * *

Frank W. Storey

Mayor, Moncton, N.B.

I would favor leaving the collection of all income taxes with the Federal Government, particularly for the reason that taxpayers then would, as now, make income tax returns and payments to one authority only, and the machinery for the handling of same is already in existence. There should, of course, be periodical adjustments to take care of changing conditions, this being especially desirous in New Brunswick for the reason that municipalities rather than the province taxed incomes heretofore, and it is my impression that greater variations requiring adjustments are liable to occur within municipal units than in the provincial units.

* * *

Wm. C. Stannard

Account Executive, J. Walter Thompson Co., Montreal.

If we are still to be burdened with multiple taxes then I would favor the collection of both provincial and Dominion taxes by the Federal Government. This should be more efficient and economical in operation and less burdensome to the taxpayer. It should at least be a small step toward the desired goal of lower cost of government.

Business This Week

THE FINANCIAL POST	Dec.	Nov.	Oct.	Sept.	Year Ago
■PRODUCTION INDEX (4)	242.0	242.9	245.0	248.0	264.1
GOVERNMENT FINANCE (millions of $)					
National income, D.B.S.	....	784.5	....	802	767.3
Dom. war expend.	356.5	78.2	378.1	346.5	583.4
Dom. total revenue	139.8	153.2	244.7	229.3	206.2
Dom. total expend.	732.0	167.3	437.4	407.3	695.0
MERCHANDISING					
Dept. store sales index no. (1)	....	194.9	171.4	179.7	168.8
Retail sales index no.	....	190.7	182.6	178.6	172.8
Wholesale sales index no.	....	196.0	202.6	205.4	172.2
Country store (% change pr. yr.)	....	+7.0	+6.1	+10.2	+5.3
FINANCE					
■Dividend payment index (5)	129.9	129.9	129.9	129.8	125.9
■Bank deposits, index (1)	224.1	212.8	202.9	200.3	191.2
■Bank debits, index (1)	....	220.4	164.3	184.3	155.0
■Money supply (millions $)	6,213	6,038	6,038	5,748	5,352
NEWSPRINT % OF CAPACITY					
Production ratio	....	69.4	69.8	68.6	69.2
Shipment ratio	....	70.1	71.0	71.1	70.4
RAILWAY FREIGHT LOADINGS					
■Tons (D.B.S. index)	180.5	164.4	140.4	160.6	197.1
■Cars (D.B.S. index)	144.6	142.3	127.4	128.3	153.2
COST OF LIVING					
D.B.S. index	118.5	118.9	118.6	118.8	119.3
EMPLOYMENT INDEX, D.B.S.					
All industries	....	183.8	183.3	185.5	188.7
Manufacturing	....	....	223.7	226.2	231.4
Payrolls (June 1/41=100 (2)	....	....	149.9	148.5	140.4
Payrolls (1937=100) (3)	....	225	231	222	215

RAILWAYS—(000's omitted)	1945-44	1944-43	1945-44 Jan. 1 to date	1944-43 Jan. 1 to date	% Change
■Carloadings (week Jan. 13)	65.0	68.2	114.9	130.6	—19.7
■C.P.R. gross rev. (Jan. 14)	4,880	5,170	9,403	9,973	—5.7
C.N.R. gross rev. (Nov.)	36,979	37,001	402,623	401,535	+0.2
C.N.R. net rev. (Nov.)	5,575	7,226	71,958	88,583	—18.8
C.P.R. gross revenue (Nov.)	27,165	27,461	293,279	269,825	+8.7
C.P.R. net rev. (Nov.)	6,031	5,591	38,410	44,194	—13.1
IRON AND STEEL (000's omitted)					
Pig iron production (tons)	147.0	154.1	1,713.5	1,621.0	+5.7
Steel production (tons)	268.9	259.4	2,780.9	2,769.2	+0.4
CONSTRUCTION (000's omitted)					
■Contracts awarded (Dec.) $	12,730	11,989	291,962	206,104	+41.6
Building permits (Nov.) $	8,180	8,488	119,795	73,809	+62.3
Cement prod., bbls. (Oct.)	878.5	813.9	6,443.3	6,587.0	—2.3
AGRICULTURE (000's omitted)					
Flour prod., bbls. (Nov.)	2,307	2,176	8,344	8,197	+1.8
Flour exp., bbls. (Nov.)	981	858	12,706	11,791	+7.7
Wheat exp., bush. (Oct.)	28,716	19,967	241,272	156,333	+54.5
Cattle sales (4) (Dec.)	164.9	91.1	1,507.5	1,184.8	+27.2
Hog sales (4) (Dec.)	729.8	1,041.5	8,863.2	7,147.5	+24.0
SEA FISHERIES (000's omitted)					
Catch, cwts. (Aug.)	1,794	2,202	7,199	7,823	—7.9
Landed value (Aug.) $	7,727	6,751	30,654	27,124	+13.1
NEWSPRINT (000's omitted)					
■Production, tons (Dec.)	225	250	2,972	3,005	—1.1
Exports, tons (Nov.)	259	261	2,769	2,673	+3.6
MINING AND OILS (000's omitted)					
Coal prod., tons (Nov.)	1,638	1,472	15,486	16,232	—4.6
■Gold rec. (fine oz.) (Dec.)	202	268	2,838	3,607	—21.3
Petroleum prod. brl. (Oct.)	884.3	859.4	8,424.1	8,430.0	+0.1
ELECTRICAL POWER OUTPUT (000,000's omitted) Nov.					
Total monthly kw.h.	3,440	3,461	37,110	36,818	+0.8
FOREIGN TRADE (thousand $)					
Imports (Nov.)	141,617	160,311	1,631,682	1,600,205	+1.9
■Exports (Dec.)	266,879	302,571	3,439,953	2,971,475	+5.7
OTHER INDUSTRIAL FACTORS (000,000's omitted)					
Shoe prod., pr. (Sept.)	2.9	2.7	26,462	25,664	+3.1
■Cotton consump., lb. (Dec.)	12.6	14.1	161.0	179.9	—10.6
■Cigarette cons. No. (Dec.)	1,032	1,019	11,244	11,527	—2.5
FINANCE (millions $1)					
■Bank debits (Dec.)	5,063	4,850	61,217	54,509	+12.3
Bond sales (Dec.)	146	175	633	535	+18.3
Life insurance sales (Nov.)	53	54	566	535	+5.8

(1) Base period 1935-39=100
(2) All industries
■ New items for week
(3) Bank of Commerce set.
(4) Total at yards and plants
(5) Nesbitt, Thomson, est.

VICTORY BONDS

There is no finer investment than Dominion of Canada Bonds. We urge you not only to retain but to increase your holdings of Victory Bonds and War Savings Certificates.

A. E. AMES & CO.
LIMITED
Business Established 1889
TORONTO
Montreal Winnipeg Vancouver Victoria New York London, Eng.

How Best To Invest Your Money

Our January Investment Letter recommends securities that are desirable on the grounds of security, income return, ready marketability and possibilities for capital appreciation.

Write for a copy:

McLEOD, YOUNG, WEIR & COMPANY
LIMITED
Metropolitan Building, Toronto
Telephone: Elgin 0161
Offices at Toronto, Montreal, Ottawa, Hamilton, London, Correspondents in New York and London, England.

GROUP INSURANCE

ACCIDENT—SICKNESS—HOSPITALIZATION—SURGICAL
(Benefits for Dependents Can Be Provided)
PLANS DESIGNED TO FIT THE PARTICULAR REQUIREMENTS OF ANY ORGANIZATION
MUTUAL BENEFIT HEALTH and ACCIDENT ASSOCIATION
34 KING ST. E. TORONTO 2, ONTARIO
"THE LARGEST EXCLUSIVE HEALTH AND ACCIDENT COMPANY IN THE WORLD"

To Men Who
DECIDE
Advertising Policies

If there is one phase of their business in which principals are keenly interested, *it is their advertising*. They—and they only—decide any major change of policy.

And rightly so. Advertising expresses the voice, the personality and the character of their business.

If, therefore, you would like to improve upon your advertising and give it more character, force and conviction, I may be able to help you.

What I bring to you when you employ me and my organization to assist in planning your advertising, is an ability to present your product or service to prospective buyers in its most desirable light; plus the experience to do this with minimum waste of time and money.

I have no cut and dried formula to offer. Each job is dealt with on its merits, and within the compass of the expenditure.

* * * * *

Creative ability is an abstract thing to talk about and to prove. One can show examples of work done for others. But even these examples may not prove anything. The observer may say "that looks like a good advertisement to me" or he may disapprove of it altogether.

Curiously enough men rarely show *keen* interest in what you may have done for others. *They want to know what you can do for them.* And that can only be shown when you go to work on their individual job. Where desirable, I refer prospective customers to the men I now do business with, and these men have always been kind enough to express themselves favourably.

* * * * *

My experience covers thirty years of advertising work in Canada, United States, Great Britain, France, Italy and Germany. And on behalf of clients I have undertaken special missions to Japan, China, and Russia.

On the average I have been working with my clients for fifteen years. Old accounts twenty-five years; latest accounts from three to six years.

* * * * *

If you feel disposed to discuss your present advertising requirements with me, I shall be glad to hear from you and will honour your confidence. You will be under no obligation to do business. If we discover that we can work well together, the benefit will be mutual.

Thornton Purkis

Advertising Counsellor

330 Bay St., Toronto Adelaide 6221

Mr. Business Man ... it's time to set your sales spotlight on the growing power of rural Canada — its vast farms — its war-time production and its expanding purchasing power ... Right now, rural Canada is fertile ground for immediate or post-war business!

That is why it is so essential to talk to the farmer through a FARM publication — one that speaks his language and understands his problems — a magazine like the Family Herald and Weekly Star. Every week it reaches 300,000 rural homes from coast to coast — the largest farm-reading, farm-buying audience in Canada!

Family Herald and Weekly Star
CANADA'S NATIONAL FARM MAGAZINE
MONTREAL CANADA

Laugh at a cold-and PNEUMONIA may laugh at you!

LOTS of people think "it's just a little cold." But that little cold can use up a lot of your body's resistance against disease.

People who are already weakened by colds make easier targets for such serious diseases as pneumonia, influenza, sinusitis, tonsillitis, or bronchitis.

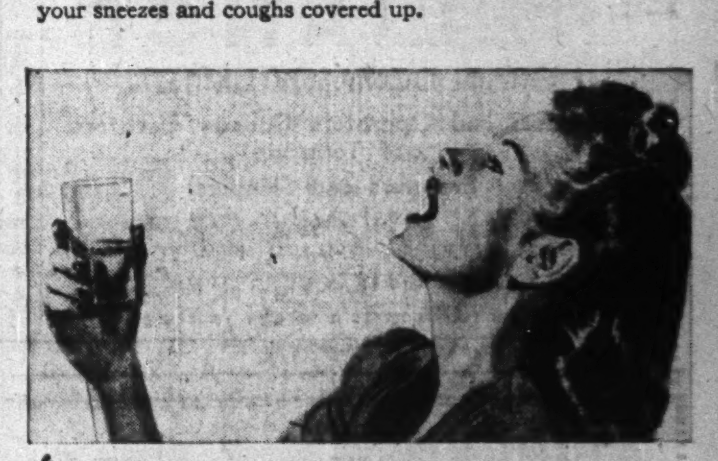
If you take the simple precautions below, chances are good that you won't be one of the thousands of victims of pneumonia this winter—or one of the countless victims of other frequent complications of respiratory infections.

TO EMPLOYERS: The season of cold epidemics is on—bringing with it, as always, an important problem in lost efficiency. It may help to remind your employees how to treat a common cold. Metropolitan will gladly provide you with poster-size reproductions of this advertisement for display on your bulletin boards. Please address your request to the Canadian Head Office, Ottawa.

1. When a cold strikes: : : go to bed if possible. At least stay indoors and rest *all* you can. It may help to take a hot bath, or soak your feet in hot water, and drink a hot lemonade before retiring. Be sure to avoid chilling.

2. You must go to work? Remember that you may inflict your cold on others. If you really *must*, then wear warm, protective clothing. Avoid drafts and sudden chilling. Keep your sneezes and coughs covered up.

3. Drink large quantities of milk, fruit juice, and plain water. Take a laxative if needed.



4. Treat that sore throat to a gargle. For example, a teaspoonful of salt or bicarbonate of soda in a glass of warm water.

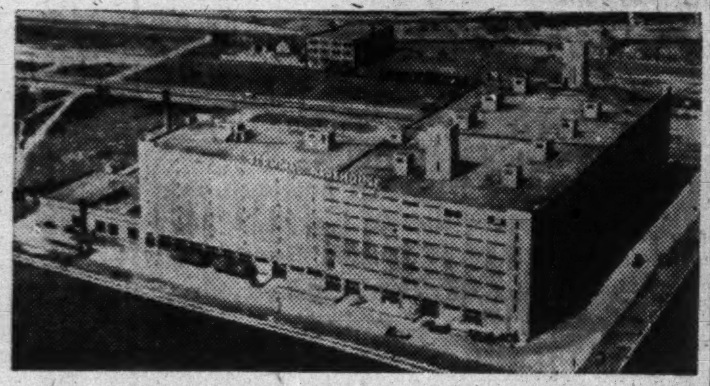
IF YOUR COLD seems more severe than usual, or if it starts with aching, chilliness, and fever, call the doctor without delay. Pneumonia may be indicated.

Most forms of pneumonia and certain other respiratory infections are often successfully treated with sulfa drugs—particularly if diagnosed early. Remember, sulfa drugs should be taken only when prescribed by a doctor.

But, *an ounce of prevention* is still worth a pound of cure. Do your best to avoid colds. Watching your diet will help. Get plenty of fruits, and leafy vegetables. Eat better breakfasts. Don't skimp on your sleep. Dress warmly and avoid chilling. Get regular exercise—some of it outdoors. And keep away from sniffers.

Metropolitan Life Insurance Company
(A MUTUAL COMPANY)
NEW YORK
Frederick H. Ecker, CHAIRMAN OF THE BOARD
Leroy A. Lincoln, PRESIDENT
CANADIAN HEAD OFFICE: OTTAWA

TERMINAL WAREHOUSES LIMITED
FOOT OF YORK STREET, TORONTO AD. 3411



Dry — STORAGE — Cold
1,000,000 Square Feet of Floor Space
2,200 ft. of Docks — 6,000 ft. of Railway Sidings — Free Switching
Lowest Insurance — Bonded and Free Storage — Office Space
Coolers — Sharp Freezers — Freezers
Light Manufacturing Space — Field Warehousing Facilities — Canada's Largest Warehouse
Also owners and operators of
DIRECT-WINTERS TRANSPORT

"Converted" Co-ops Under Fire

Commission Probes Tax-saving Shifts of Incorporation

By GORDON L. SMITH

VANCOUVER—Hearings here at best constituted only a skirmish before the main battle over the taxation of co-operatives which will come when the big wheat pools present their briefs and argument this week and next at the sittings in the Prairie Provinces. But the three-day hearing at Vancouver gave some indication of the main engagement coming.

As mentioned last week the co-operatives seem definitely on the defensive, but so far the campaign of the privately owned companies has not been as clear or as co-ordinated as expected. For this opinion I find support in confidential talks with observers who have followed the proceedings at Vancouver closely and are familiar with the long battle between the co-operatives and the private stock companies.

Main point of the controversy, of course, is whether or not the private companies will continue to bear the full load of Dominion taxation, leaving their fast-growing competitors with complete exemption so far as corporation taxes are concerned.

Don't Try To Justify

Co-ops in their argument and briefs at no time have attempted to justify their tremendous and crippling advantage. They have contented themselves with declaring that they should not be taxed; they have not argued that their privately owned competitors should be. About as far as they have gone in that direction is to say that the one-way levy does not make any difference; that the existence of the private companies is not imperiled; and on a few occasions they have hinted that the solution might be to eliminate corporation taxes altogether and let individual taxpayers bear the whole burden. That this might be impractical in the case of producers where income tax assessment does not work as simply and effectively as with, say the white collar citizens on a definite salary, does not seem to concern spokesman for the co-operatives, but the Chairman of the Commission, Hon. Erroll McDougall certainly seemed interested.

During some discussion of former privately owned fruit companies now turned co-operative, one witness was asked if fruit growers concerned were now paying more income taxes. He didn't think so, adding that "you must realize that the income of fruit growers has never reached that stage." Drily observed Chairman McDougall, "also you must realize that their liabilities are quite unlimited."

Can't See Government Problem

Spokesman for the co-ops so far seem to have completely ignored the problem of the Government in having to raise enormous taxes to meet war expenditures. In fact they have admitted under sharp questioning that co-operation may have been used as loophole to escape contribution to the Dominion treasury and they were unable to demolish direct charges of this nature.

The case of a big dairy company, formerly privately owned but now part of a big co-operative operating in practically every branch of the dairy industry, was aired prominently. Charges were made that this private company, at one time a considerable contributor in income taxes, was absorbed without any substantial change in operating personnel and that financing the deal was eased to a considerable extent for the new owners through tax exemption granted co-operatives.

This company, Associated Dairies Ltd., now a part of the Fraser Valley Milk Producers Association, was reported to have paid $90,000 in income and excess profits taxes in 1942 and approximately $200,000 in 1943. It was completely taken over by the Fraser Valley at the end of 1943. As a co-operative, it ceased paying Dominion taxes though there was no substantial change in the services rendered to the public, in the method of operation or the personnel employed.

Counterbalance Claimed

In an addition to their original brief following the charges of counsel for a group of private dairy companies, the Fraser Valley people stated: "That the revenue of the state may have been affected is conceded," but it argued that the change may be responsible for putting "thousands of dairy farmers" into the taxpaying class.

The organization operates a large retail and wholesale dairy in Vancouver, several smaller fluid milk plants and a milk evaporating plant elsewhere, also manufactures ice cream, among other functions.

On another occasion the president of a large and very successful feed company stated that he had been approached with the suggestion that he turn his company into a co-operative and thus avoid taxes, which had totalled $290,000 in the previous four years. Financing, the contact intimated, would not be difficult. The customers of the company and new co-operative members could pay so much down with a loan issue or a sale of low-priced shares, the balance to come, over a number of years, out of taxes saved.

Then again a witness whose official status "for or against" was never satisfactorily cleared, stated, quite candidly, that since the beginning of high corporation taxes early in the war there had been a remarkable growth in fruit co-operatives. He believed that half a dozen private companies had disappeared in this period and was able to name (from memory) four of them. Though he was closely associated with several of these, he said he did not recall any mention of tax consideration in discussions leading up to the change; but he admitted that simultaneous growth of taxation and co-operatives might have been more than a coincidence. Commission chairman and counsel tried, none too successfully, to get from this witness some appraisal of the saving effected by the companies making the change. Counsel for the co-operatives maintained there was no hint of tax avoidance in these cases; the growers, merely wanting to improve their own economic position and operate their own selling machinery, decided to form a co-operative and were fortunate in finding a nearby packing plant that was for sale.

Gives Example

Probably a more accurate picture of the transaction was painted by the witness. He hadn't actual details of each, but gave a general example. When the decision was made to sell to growers and change to a co-operative, a special levy of four or five cents a box was charged shippers and the money thus raised formed a payment on the packing plant, equipment, and other assets. The balance was handled as a loan; when it was retired, the charter would be surrendered and the old private company wound up.

Now the great bulk of the fruit grown in British Columbia is handled by the co-operatives and the same trend is in evidence with dairy products. To a much lesser, though a growing extent, co-operation is entering the fields of livestock feeds, seeds and fishing.

In their testimony and briefs, spokesmen for co-operatives, including representatives of the provincial CCF, Credit Unions, the Co-operative Union and mutual fire companies, have been inclined to be vague and confusing about definitions of co-operation itself, profits, surpluses, actual ownership of earnings and reserves and what might be termed "social rights."

The Co-operation Act of British Columbia, which defines the functions and setup of co-operatives, frankly uses the word "profits." Early spokesmen for the co-ops at the Vancouver hearings did so too, though some of them carefully explained that the word should be put in quotation marks. Commission Counsel Parker said the quotations didn't change the meaning of the term, but co-op spokesman said they didn't like it and some of them said that the wording of the Act would have to be changed. They prefer such terms as "overcharges" in the cases of consumer co-ops selling goods to members or "underpayments" in the case of producer co-ops. "Surplus" was a favorite term even when these annual gains were used by the organization for a number of years as working capital, for retirement of debt, patronage dividends and other means of development, expansion or creation of goodwill.

Cross examined following submission of his brief for a mutual fire company, one witness admitted that perhaps his organization made a small profit in some years. This he explained would be distributed equally among members regardless of individual policy costs. Perhaps, he said, this might be considered subject to tax, but members were in very low income groups in most cases and could do with the money. This dialogue followed:

Witness—"After all a man must have a minimum on which to live."

Commission counsel — "How much?"

W., after a pause—"I don't know."

CC—"Do you know anyone who does?"

W., after a longer pause—"No."

Case in Poultry

Not cleared up nearly as quickly or satisfactorily was an important point stressed by a representative of a large privately owned feed firm. In addition to selling general livestock feed, his firm, developed a special laying mash for poultry. Fieldmen instructed farmers in more scientific poultry feeding and breeding. Egg production was boosted and, the local market being unable to absorb the increase, this feed company then undertook to market these extra high quality eggs for customers. There was no contract, the company simply taking any eggs offered voluntarily. The competitive co-operative on the other hand refused to handle eggs, allegedly on the grounds that they were too speculative. It offered only standard livestock feeds, no specialties for poultry. The private feed manufacturer, with reserves whittled down by taxation feared he would not be able to offer this complete feed service if his tax-free competitor with reserves mounting fast, were able to take away the standard bulk lines. If, for this reason, his service stopped customers who demanded special feeds for special jobs, in other words a complete feed line, would be disappointed.

Commission counsel, however, seemed unimpressed, maintaining that the fact that the poultry department of this feed business was making a profit indicated that the motive was profit only.

Court Rules Wheat Pool Must Pay Back Claim

From Our Own Correspondent

REGINA—A court judgment here for only $253—and which can't be collected anyway until the 1950's—establishes a principle which may affect $18.7 millions in commercial reserves and elevator deductions said owed by Saskatchewan Wheat Pool and Saskatchewan Pool Elevators Ltd. to contract members.

With the judgment came a denunciation of nonpayment of interest on elevator and commercial reserve deductions while patronage dividends to dollar shareholders continued.

The judgment is a "declaratory" one in King's Bench Court in favor of Robert Barnes—former wheat pool member now of Winnipeg—in his suit against pool and company launched 15 months ago and heard last month. It calls for repayment ($253.02 and interest since 1930) of elevator and commercial reserve deductions by the pool from grain proceeds from 1923 to 1927 inclusive.

The pool will appeal, it is stated.

Hits Patronage Divs.

Noting that during the period in which the pool declined to pay interest on elevator and commercial reserve deductions, it had operated as a voluntary pool and had paid out patronage dividends (from 1939 to 1944 totalling $1,010,738) to its shareholders, the judge said:

"The whole scheme of refusing to pay the plaintiff and others like him their money and yet at the same time paying its profits in the form of patronage dividends, so called, to dollar shareholders, seems to me like confiscation and feasting upon the rights of others."

The judge, declaring the pool has acted as a trustee for the plaintiff's money, said:

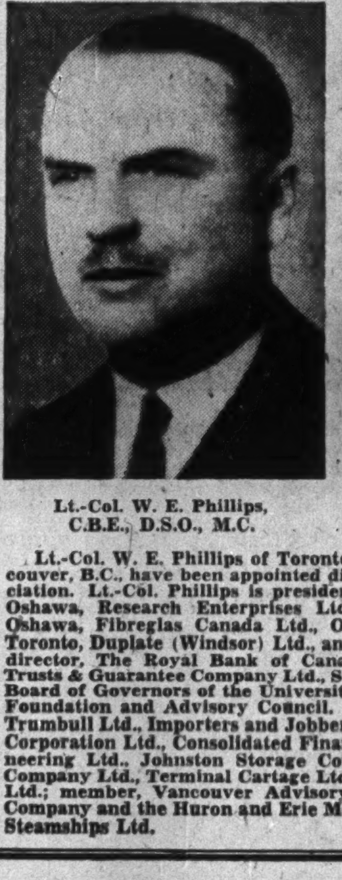
"I consider the refusal to pay interest to the plaintiff and the use of profits of the defendants to pay so-called patronage dividends as a breach of trust."

Payments Now Barred

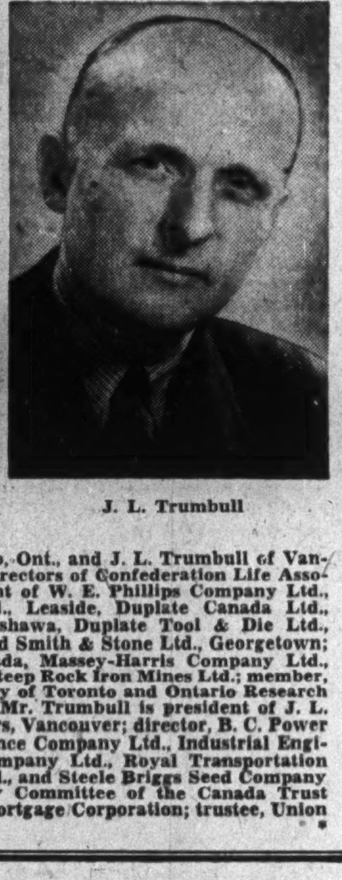
The judgment is declaratory in that the judge recognized immediate payment is barred by a section of the Saskatchewan statutes of 1932 under which the wheat pool borrowed $13,305,654 from the Saskatchewan Government to meet the pool's overpayment of 1929-30. Payment will have to be made by the pool only after it has discharged its complete indebtedness to the Provincial Government—in 1951.

Not allowed was Barnes' application for an injunction restraining the pool or company from paying patronage dividends so long as his claim remains unsatisfied. But the way is left open to him to apply for an injunction at a later date.

New Directors of Confederation Life Association



Lt.-Col. W. E. Phillips, C.B.E., D.S.O., M.C.



J. L. Trumbull

Lt.-Col. W. E. Phillips of Toronto, Ont., and J. L. Trumbull of Vancouver, B.C., have been appointed directors of Confederation Life Association. Lt.-Col. Phillips is president of W. E. Phillips Company Ltd., Oshawa, Research Enterprises Ltd., Leaside, Duplate Canada Ltd., Oshawa, Fibreglas Canada Ltd., Oshawa, Duplate Tool & Die Ltd., Toronto, Duplate (Windsor) Ltd., and Smith & Stone Ltd., Georgetown; director, The Royal Bank of Canada, Massey-Harris Company Ltd., Trusts & Guarantee Company Ltd., Steep Rock Iron Mines Ltd.; member, Board of Governors of the University of Toronto and Ontario Research Foundation and Advisory Council. Mr. Trumbull is president of J. L. Trumbull Ltd., Importers and Jobbers, Vancouver; director, B. C. Power Corporation Ltd., Consolidated Finance Company Ltd., Industrial Engineering Ltd., Johnston Storage Company Ltd., Royal Transportation Company Ltd., Terminal Cartage Ltd., and Steele Briggs Seed Company Ltd.; member, Vancouver Advisory Committee of the Canada Trust Company and the Huron and Erie Mortgage Corporation; trustee, Union Steamships Ltd.

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You can depend on it that, when the time comes, DOMINION PLYWOODS' skilled craftsmen will produce for you high class custom-built plywood products that will enjoy widespread and satisfactory peacetime use.

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SITUATED ON THE BEAUTIFUL SHORES OF LAKE HURON

Reconversion Financing

Some Corporation Executives are finding it expedient to revise their Company's capital structure with a view to securing funds for post-war plant conversion, equipment and production . . . as well as for other reasons.

Re-financing may be done either through the issue of Bonds and Debentures or Preferred and Common Shares, depending upon size and character of the business, its products, markets, management and potential earnings.

We invite inquiries from Executives who are thinking along these lines. Our experience in re-organizations and our capacity to distribute Bonds and Stocks should be useful to them.

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- Complete surveys of operations and organization.

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Industrial Engineers and Consultants

War and Business

Getting the Lowdown

A number of the larger operators among Canadian house builders were in Chicago all last week for the National (U. S.) House Builders Association's most ambitious exhibition of new building materials, methods and equipment. The Canadian builders—numbering about 40 and representing local as well as national associations — will bring back from the show and technical sessions many a new idea on prefabrication, on materials such as plastics, lumber, concrete and steel, on heating, air conditioning, electronic controls, new kitchen, deep freeze and frozen storage equipment.

• • •

Swing in Financing?

Reported from across the border is a trend to the so-called "packaged" house—the builder before long may be offering a house complete with electrical appliances and even some built-in furniture. If this proves true, residential mortgage lending companies may find themselves competing with installment purchase finance companies. From the New York weekly business news letter "Planning" comes a forecast that United States mortgage loans to home buyers and builders increasingly will cover not only the house and land, but nonintegral equipment as well, such as ranges, refrigerators, washing machines water heaters and similar appliances; and for the farm, working apparatus such as milking machines. "Planning" says such mortgages are now allowed by law in most states, and that legislation in others will be sought by utilities, banks, insurance companies, home loan associations, prefabricators of housing and building development companies. "Appliance dealers won't be seriously concerned by this program because most contractors will still buy through them. Only large operators, who normally sell about 5% of new houses, buy directly from manufacturers or distributors. But it may encroach increasingly on the field of finance companies, which heretofore have financed most installment sales of appliances to consumers."

• • •

U. S. Building Sags

United States construction volume is declining, in contrast with Canadian prospects for 1945. Forecasts in both countries now are based on an assumption that war in both major theatres will continue through the summer and even early fall. Against the outlook for Canada that construction volume will at least equal the amount of work carried out in 1944—the United States War Protion Board estimates for 1945 a construction dollar volume of $3¼ billions, lowest since 1935, 82% of the recorded 1944 volume and 24% of the peak 1942 performance. The WPB finds indications of a decline in the building of new houses but a substantial if not complete offset in the shape of increased industrial and other nonmilitary work. The biggest drop, it is indicated, will be in military construction and government-financed plant construction.

• • •

Cancel Tool Show

The "world's greatest production and tooling exposition" is cancelled. It was scheduled for Cleveland in March by the American Society of Tool Engineers, Detroit, and has been cancelled to help relieve critical pressure on production and transportation facilities. "Developments in Europe and resulting shifts in production" is the stated reason. Such exhibitions in the United States usually attract thousands of industrial executves and engineers, including some from Canada.

• • •

C OF C PRESIDENT

Bernard Couvrette, elected president of la Chambre de Commerce de Montreal. He is president of Couvrette-Sauriol Ltée., and of the Quebec Wholesale Grocers Association.

Burlap

Burlap is being sold at lower than ceiling prices to bazaar traders for the first time in two years, a communication from Calcutta millmen received by the N. Y. Journal of Commerce revealed. Failure on the part of the consumer nations to accept offerings of the critically short fabric was blamed by these sources for the bazaar trading.

The communication stated that a surplus amounting to 25 million yards a month was being manufactured. Production is placed at 135 million yards, consumption at 110 million.

• • •

Chlorinated Synthetic Rubber

Goodyear Tire & Rubber Co. of the United States has developed a chlorinated synthetic rubber which will help ease the demand on the dwindling supply of natural rubber, according to the Wall Street Journal.

Chlorinated rubber is used for corrosion-resistant paints, which have been used by the navy in the form of ship-bottom, anti-fouling and noninflammable finishes, sand-core binders for molding operations, adhesives and other products. The Goodyear product is claimed to be the first substitute developed for chlorinated natural rubber.

Goodyear developed a new type of synthetic rubber for the process. In the form of a powder, the new chlorinated synthetic rubber is already being used in paint and samples have been submitted to the U. S. navy, the company announced.

• • •

Lag for Legs

Nylon probably won't be released from military service until after victory in the Pacific. That's the reported belief of the National (U. S.) Association of Hosiery Manufacturers' postwar planning committee.

And sale of nylon hosiery over store countries in the United States is not expected to occur until 4½ months from its release for civilian use. The committee estimates that it will take manufacturers about 3½ months to build up a sufficient stock to be able to put nylon hose on sale and that distribution of this stock to retailers will require another month.

• • •

Moist Air Saves Fuel

"When the house is warm enough to be comfortable I just seem to get a headache and never want to take a deep breath." When you hear that comment you may be sure there's something wrong with the humidity level, sttaes a Canadian Institute of Plumbing and Heating bulletin. One way to correct this is to fill the water pan in the hot air furnace, or hang water containers on the radiators. Because the body perspires, even though imperceptibly, a dry atmosphere needs some moisture if health is to be maintained. Heat will take water, either from the air or from you. And another thing that many do not realize, says the Institute, is that an atmosphere that carries proper moisture is warm and comfortable at a lower temperature than the atmosphere that is arid. That's why a moist atmosphere means a fuel saving, too.

• • •

Unemployment in B. C.

British Columbia's "army of unemployed" was growing rapidly as the year 1944 drew to a close, swelled by heavy industrial layoffs in the last three months, sustained by return of thousands of war veterans getting priority over civilians in job-seeking.

National Selective Service in Vancouver gave this picture: against 1,957 men in Vancouver unplaced in jobs in January, 1944, there were 4,377 unemployed men at the end of November; unemployed women 1,299 last January against 2,872 unplaced on Nov. 30. Unemployment insurance claims current multiplied themselves seven times, from 200 at the beginning of 1944 to 1,575 on Nov. 30.

Decreasing demand for women in B. C. industry was revealed; job vacancies for women had dropped during 1944 from a current monthly total last January of 1,647, to a November total of 1,459.

However, employment experts believe that the full force of unemployment will not hit B. C. until next fall. Shipyards expect to remain stable until late summer. The general engineering industry is striving to convert to civilian production, or has sufficient war orders to last until early summer.

• • •

Ex-service Engineer

Employers engaging an engineer or other technical person discharged from the Armed Forces must first obtain a permit from the Wartime Bureau of Technical Personnel, it is announced by Bureau Chief H. W. Lea, NSS, Associate Director. Regulations define a technical person as "graduate of a recognized university in any branch of engineering or pure science, or member of a professional engineering or scientific body"

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32,000 pounds U.T.S.
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3% elongation
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Castings of this alloy reach a high tensile strength and stand up to shock, fatigue and corrosion extremely well. These qualities allow Frontier 40E to fit in a wide spread variety of uses.

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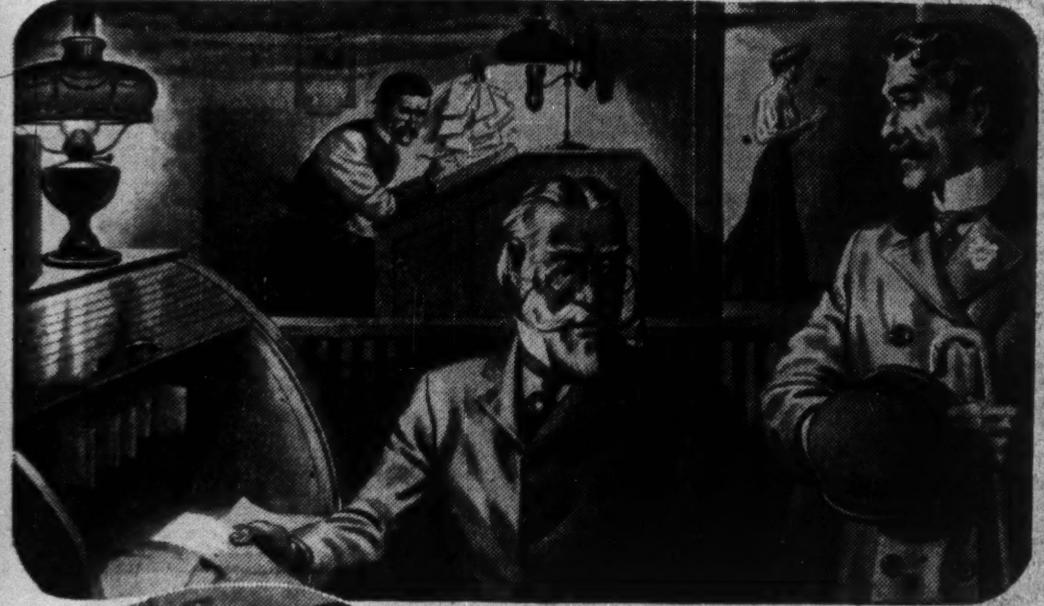

They Wouldn't Have Believed It!

● If anyone had told the office managers of the early nineties that in a few years, as time goes, electrically powered machines would do, in seconds, the work that took hours of toil, they wouldn't have believed it.

Yes, electricity has certainly lightened the way in this streamlined age. In the city or on the farm we rely on it for light, for heat, for power, for comfort. It lightens our burdens, dispels darkness and increases our pleasures. The men who supply Hydro to our homes—have made it so dependable, so economical that it is an accepted part of our daily life.

Yet, so great and varied are the possible services of electricity that the benefits we have so far accepted represent little more than the most obvious uses. It would be rash indeed to attempt to foretell or limit the future applications of electric power. In planning for tomorrow, take full advantage of the benefits that electricity and electrical equipment can bring to everyone.

The need is greater now
BE A BLOOD DONOR!
Inquire at your nearest Red Cross Clinic

THE HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO

Cheap Money!

What are its implications?

—to the business man?
—to the investor?
—to the politician?

It appears to be the settled policy of the Dominion Government to:

1.—Maintain cheap money for a long period.
2.—Attempt to offset post-war unemployment possibilities in advance by—
   (a)—Maintaining the flow of capital through extension of social services.
   (b)—Encouraging capital investment.
   (c)—Maintaining such financial controls as may be necessary to accomplish these objectives.

The desirability of these objectives, particularly the maintenance of post-war employment, is entitled to one's greatest sympathy and co-operation. Dominion, Provincial and Municipal Governments all realize their major responsibility in this direction; and in the Federal field there has already been much preliminary planning.

But even the proponents of various social service measures do not pretend to have foreseen all the difficulties ahead. So far their surveys have embraced "Cradle to the Grave" Security, including:—

Pensions for all
Old Age Insurance
Unemployment Insurance
Family Allowances
Government financing of great labour-consuming projects to provide post-war employment
Revision of Taxes
Revision of Currencies
Subsidies for foreign trade
Subsidies to Industry

But some of these measures and others which have popular appeal as vote catchers to a great extent *fertilize and develop the very evils* they are intended to remove. They tend to vitiate individual independence and initiative. They destroy incentive to work on the part of some people.

The very real danger that lurks in the shadow of wartime necessity is that fantastic theories and socialistic doctrines arise and flourish because the real workers and producers are too busy to combat them . . .

Unless sound leaders in governments, as well as among business men, exert their influence to combat these destructive influences the present trend will engulf us in a morass of government-controlled bodies, all trying to function at the Taxpayers' expense.

To a certain degree the Victory Loan Campaigns have been a constructive force in combatting radical trends. Ownership of Victory Bonds by millions of citizens is a great antidote to socialist theories. Canada, we believe, is unique in respect to its per capita purchases of Victory Bonds.

In wartime, a patriotic people will condone a certain amount of extravagance and inefficiency so long as the main objective of winning the war is pursued. But other evils creep into the national economy under the guise and protective cloak of achieving that main objective.

We must, therefore, be vigilant and on constant guard to prevent the upsurge of destructive and uneconomic forces, just as we are alert to combat disease.

The policies of governments in meeting radical threats and evils by compromise and appeasement; *and in some cases by offering the voters more than the doctrinaires,* is the product of fear and an admission of weakness.

No major legislation should be enacted before an exhaustive study has been made of its near and long-term consequences. "Cheap Money" can be made a creative influence for good. It creates new industries; fosters old, and encourages initiative. To the investor living on a fixed income or to investing institutions, it produces a cautious economy that leads to the elimination of extravagance and unnecessary expense.

But if Canadian Business men and investors are expected to risk their capital and to embark on new enterprises to create additional post-war employment, they must be given some encouragement to risk their capital, in order to offset possible losses. If they are expected to take all the risk and the Government take 90% to 95% of the profit (if any) why should business men and investors venture new capital in new enterprise?

When Governments are concerned, cheap money may not be a blessing at all. The proper course is to obey economic laws.

Spending the taxpayers' money has been the age-old custom of politicians to produce votes. To the extent that money is *"cheap"*, the politician is further encouraged "to promise" and "to spend".

But while it is easy to criticise politicians and governments, it must be remembered that in a democracy, no government can go further than the will of the people. Therefore, the *post-war period will be what the majority of the people in Canada cause it to be by their individual initiative. The way they vote . . . . or neglect to vote . . . . will determine the course of events.*

Some people imagine that we are already in "the post-war period" so far as business is concerned. This is not so. Let us not be befogged by the clouds of uncertainty that are so frequently created to bolster new theories. The "Post-war period" is not going to happen overnight—like the change from the old to the new year. It will develop over a period of years.

Therefore, changes must be gradual. Let us keep our heads and work; be practical; follow the tried and proven practices and as soon as it is possible to remove wartime controls permit the free operation of economic laws. Changes will then be more successful and less painful.

Drastic upheavals destroy confidence. In addition to the influence of government and business leadership, post-war prosperity will be determined largely by the mental attitude and physical industry of every wage and salary earner in each community.

There may soon be a Dominion election; and also several provincial elections. Let the candidate, whether it be for Federal, Provincial or Municipal office, refrain from making unconsidered promises.

"Cheap Money" is an asset to the country that must not be prostituted for political purposes. Part of our vigilance should be to query every promise by asking "where is the money to come from"? "Are you going to tax the people even more to pay the cost of carrying out your promises"?

People's savings will only continue to be safe so long as we have sound governments. Spendthrift governments will ruin everybody, themselves included. "Cheap Money" can build our country. But its misapplication will destroy our country and destroy the product of all thrift.

The certainty of continuing "Cheap Money" is best illustrated by the latest statements of the Chartered Banks, whose total assets have now reached an all-time peak of $6,528,000,000, with savings deposits up for the year approximately $460,000,000 and Demand deposits up $194,000,000 after the flotation of two Victory Loans.

These colossal figures show the compelling force in bank investment which has made possible the refundings of numerous government, municipal and industrial bond issues; and has produced the lowest rates in our history for preferred share capital. This is the policy that the government hopes to continue in the post-war period by facilitating the flow of cheap money; by extension of social services, and by encouraging capital investment.

Our country is richly endowed with natural resources. Canadian people are essentially sound, progressive and energetic; but in some cases they have been misled by political promisers.

Such moral, physical and financial assets as Canadians possess, combined with sound government and "Cheap Money", should make our country "a land fit for heroes to live in". But that condition will only come about if free enterprise is continued. It will not be possible if taxation stifles initiative and industry.

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In the Underwood plant, your old typewriters go through many factory processes that produce the new Underwood—and they emerge completely new in everything but age.

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UNDERWOOD TYPEWRITERS — CANADA'S 7-OUT-OF-10 CHOICE

VICE-PRESIDENT & G.M.

Toronto Iron Works announces the appointment of T. F. Rahilly as vice-president and general manager. For the past year adviser to the Steel Controller of Canada, he was formerly vice-president and general manager of Algoma Steel Corp.

ANNOUNCING

Important Appointments in Canadian Industry, Finance, Business and Government.

Canadian Airlines Pilots Assoc.—Capt. R. E. Hatfield, Winnipeg, president.

Toronto Iron Works Ltd.—T. F. Rahilly, vice-president and general manager.

Bank of Nova Scotia.—F. L. Graham, supervisor of branches.

Trans-Canada Air Lines—H. C. Cotterell, research assistant.

Montreal Trust Co.—G. F. Harkness, Toronto manager.

Sun Life Assurance Co. of Canada—J. A. McAllister, director of agencies.

N. S. Wartime Labor Relations Board—V. C. MacDonald, chairman.

General Accident Assurance Co. of Canada—D. B. Hall, general manager.

Farm Market Relations Inc.—J. C. Hackney, manager.

Sask. Regional War Labor Board and Wartime Labor Relations Board—Mr. Justice D. A. McNiven, chairman.

Dept. of Finance—C. F. Elderkin, inspector-general of banks.

M & S—G. H. Montgomery Jr., deputy aircraft controller.

B. C. Dept. of Veterans Affairs—Col. Blair M. Clerk, district superintendent of rehabilitation.

Sask. Power Commission—H. F. Berry, chairman.

Vulcan Iron Works Ltd.—J. McK. Isbister, general manager.

Gooderham & Worts Ltd.—Col. H. R. Alley, vice-president.

Imperial Tobacco Co. of Canada—E. C. Wood, vice-president.

WPTB—J. A. Robertson, Ottawa administrator of emergent shelter regulations; E. O. Oliver, deputy.

Dominion Govt.—H. M. Martin, public administrator for the Yukon.

D. H. Howden & Co., and H. S. Howland Sons & Co.—P. O. King, manager, Toronto.

Hobbs Glass Ltd.—J. G. Stuart, sales manager, store front division, Toronto.

Sturgeons Ltd. — W. R. Shepherd, general sales manager, Toronto.

Chartered Life Underwriters—W. W. Nixon, chairman, Toronto chapter.

CNR—F. A. Gaffney, transport economist.

CPR—G. M. Hutt, development commissioner; W. G. Cowie, assistant.

Alberta Petroleum Association—J. A. McCutchim, director.

Banque Canadienne Nationale—Hon. Jacob Nicol, vice-president.

Canadian Press War Correspondents' Association — Ross Munro, president; Alan Randal, secretary.

Building and Construction Industries Exchange, Vancouver — J. G. Bennett, president.

Canadian Society of Forest Engineers, Vancouver section — H. H. Baxter, council chairman.

Pilkington Brothers (Canada) Ltd. — E. F. Glover, sales manager with headquarters in Toronto.

International Varnish Co.—B. T. Tinling, sales manager.

Royal Bank of Canada — Grant MacEwan, director.

Alberta Government — W. C. Bruce, deputy minister of telephones and general manager of Alberta Government Telephones.

Ontario Paper Co., and Quebec North Shore Paper Co.—D. W. Ambridge, third vice-president and assistant general manager; Major-General W. B. Kennedy, fourth vice-president in charge of wood operations.

Guardian Insurance Co. of Canada—L.O.P. Walsh, vice-president.

WPTB — W. H. Bosley, administrator for emergency shelter for Toronto area.

Air Transport Board—W. T. Patterson, secretary and legal advisor.

Royal Astronomical Society of Canada—Dr. A. E. Johns, president.

McGill University—J. D. Johnson, member, board of governors.

WPTB — F. L. Mitchell, deputy co-ordinator, pulp and paper administrations.

Canadian Federation of Mayors—R. H. Saunders, president.

Federal Government—Hon. C. W. G. Gibson, acting minister of National Defense for Air.

Association of Canadian Advertisers—R. L. Sperber and G. R. Hogg, directors.

Guelph & Ontario Investment & Savings Society—J. R. Phin, first vice-president; J. M. Purcell, second vice-president.

Guelph Trust Co.—G. A. Forbes, second vice-president.

C.P.R.—H. P. Robinson, director.

Anthony Foster & Sons, Ltd., Toronto, Philco Distributors — W. R. Johnston, Manager, Radio and Electrical Appliance Division.

Vancouver Stock Exchange—K. L. Patton, president; A. E. Chilcot, vice-president; directors: A. N. Wolverton, P. Wootten, A. E. Jukes, M. McCarthy, J. C. Ross.

WPTB—Air Vice-Marshal L. F. Stevenson, administrator of emergency shelter, Vancouver.

War Assets Corp.—G. M. Sauriol, manager, Montreal branch.

Unemployment Insurance Commission and National Selective Service—R. Robert, manager, Montreal office.

Calgary Rehabilitation Council—Brig. P. R. Shields, chairman.

St. James-Winnipeg Airport Commission—H. C. Morrison, chairman.

N. S. Credit Union League—J. C. Hill, Halifax, managing director.

Vancouver Motor Dealers' Association—R. W. Neil, president.

B. F. Goodrich Rubber Co. of Canada—A. A. Frew, district manager, tire division, Vancouver; I. W. T. McPherson, district manager, tire division, Toronto.

Provincial Bank of Canada—Senator Elie Beauregard and Maj. R. H. Parent, directors.

National Shoe Retailers Association—E. F. Raven, president.

Dairy Farmers of Canada—R. M. Bailey, Edmonton, president.

Montreal Curb Market — S. J. Brooks, member.

La Chambre de Commerce de Montreal—B. Couvrette, president

Toronto General Trusts Corp.—A. C. Lloyd, manager, Montreal branch; C. R. Wilson, estates officer, Montreal branch.

Montreal Trams Carry Million Riders Daily

MONTREAL — Montreal Tramways Co. carried 36,042,941 passengers in 1944, an increase of 1.89% over 1943 and up 84.5% over the prewar year 1938. During the past six years, the company has been able to increase its passenger carrying equipment only 17%, it is noted. The figures for 1944 indicate approximately 1 million passengers were carried each day, but transfer passengers represent another 50% and with these considered the daily total would be 1,500,000, equivalent of the entire metropolitan area's population.

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Seven out of every ten* of Greater Toronto's 204,458 families read the Toronto Daily Star.

The greater part of this circulation is home-delivered by Star carriers. The Star has 45,128 more city of Toronto circulation than the second Toronto daily, and 72,850 more than the third.

Beyond all question, 78.4% coverage of Ontario's largest city is an advertising 'Buy' of supreme importance to the merchandising of goods and services in Greater Toronto.

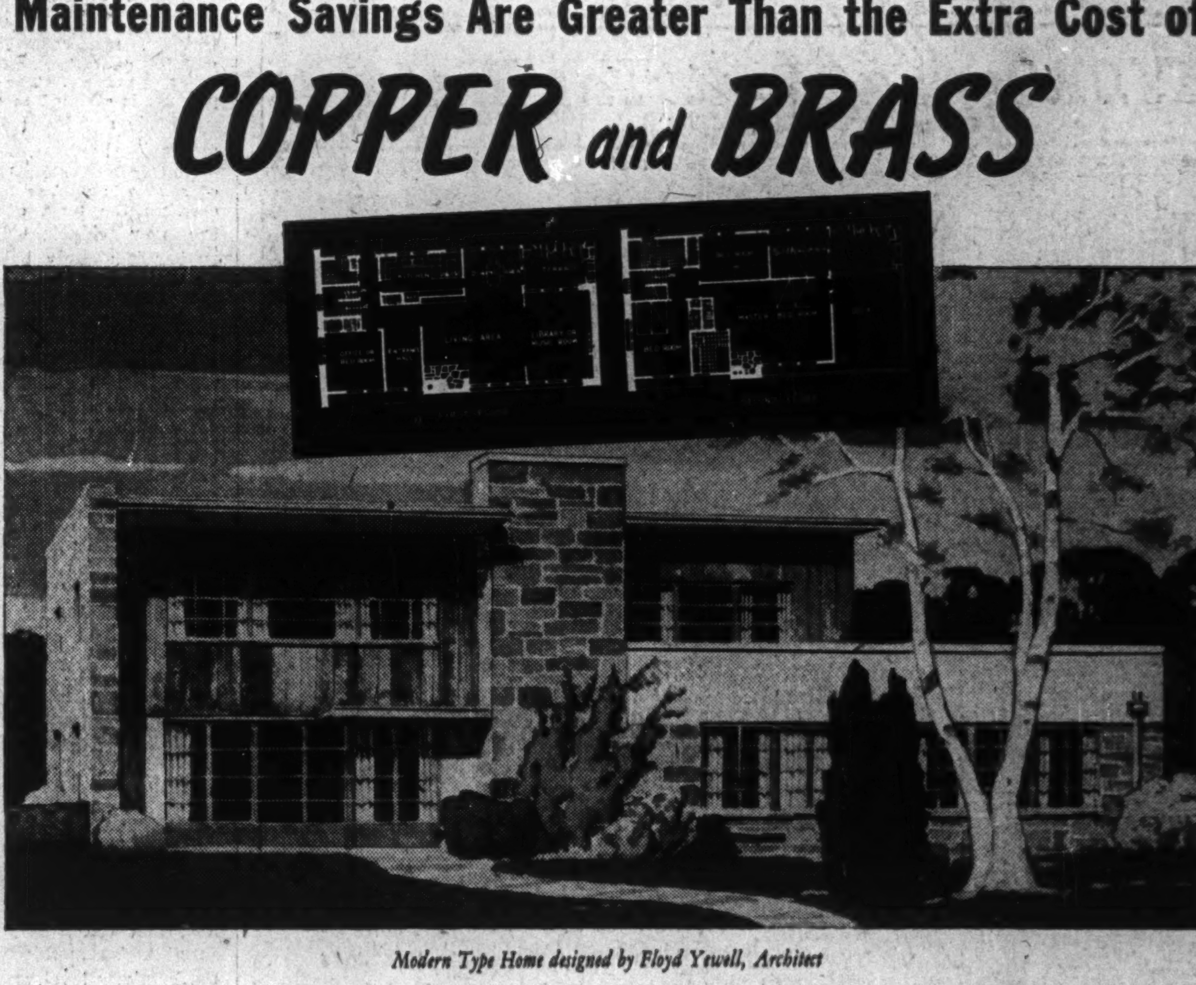
Added to this, the Star also gives you a coverage running from 15% to 84% in 16 other Ontario cities, largely home-delivered, as well as over 30% coverage in 54 Ontario towns and villages. Complete particulars gladly supplied.

TORONTO DAILY STAR

*160,387 circulation, 204,458 P.O. Households, 78.4% coverage

Maintenance Savings Are Greater Than the Extra Cost of

COPPER and BRASS



Modern Type Home designed by Floyd Yewell, Architect

YES, YOU CAN "shave" the cost of any home you choose to build, and short-sighted home builders often do. But architects know that these shavings are mighty thin compared with the year after year *savings* that quality construction will give you.

Take the very important item of metals for example. You might use rustable metals in building this striking modern home . . . and think you are saving money.

Or, you could select copper tubes or brass pipe for both hot and cold water lines; a water heater with an Everdur* tank; solid brass or bronze hardware throughout the house; copper flashings for chimney and roof; copper eavestroughs and downspouts; and bronze screens for windows and doors.

You would then have the satisfaction of knowing that your home would be safe against the costly inroads of rust. No rusty water or rust-clogged pipes for you. No rust holes in flashings to cause leaks, stain interiors and perhaps bring plaster down.

Your locks, hinges, latches would remain rust-free, smooth-acting, handsome and efficient . . . your rustless bronze screens would be good for many years of trouble-free protection. Such security assumes tangible value when repairs for a single instance of rustable metal failure might cost more than was saved.

*Trade Mark Registered

Architects specify copper and brass for the home

Several hundred architects, interviewed in a coast-to-coast investigation recommended materials for the medium priced home.

For water pipes, they chose copper and brass; for eavestroughs, downspouts and flashings, copper; for hardware, solid brass and bronze; and in each category the decision was three-to-one or higher in favor of copper and copper alloys.

Main Office and Plant: New Toronto, Ontario

ANACONDA AMERICAN BRASS LIMITED
(Made-in-Canada Products)

Montreal Office: 939 Dominion Square Building

ANACONDA Copper and Brass

Anaconda Copper & Brass

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Eliminates
CREDIT RISK

MODERN financing methods, as made available by Industrial Factors Corporation, remove all credit risk that normally exists in almost any type of business.

The financial services of this company involve the purchase of accounts receivable for cash the day goods are shipped. As a result the following advantages are achieved by the manufacturer who avails himself of this service:

- ★ All credit risk is eliminated.
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- ★ All details of collection are assumed by Industrial Factors.
- ★ The manufacturer's staff can devote themselves to sales and production.

Manufacturers interested in preparing for post-war business should investigate the advantages available under this method of modern financing. Complete information about this service can be obtained by communicating with the address below.

Industrial Factors Corporation
Limited
423 Mayor Street, Montreal
Subsidiary of Industrial Acceptance Corporation
With Resources in Excess of $5,000,000.

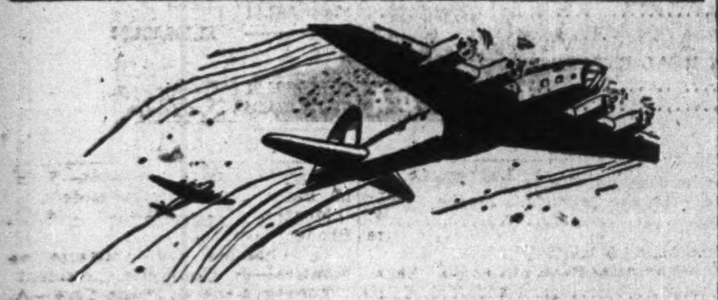
U. S. Prices Revised On Candn. Pulpwood

From Our Own Correspondent

MONTREAL—Prices of Canadian-cut pulpwood, to U.S. importers, on deliveries under contracts made on or before Feb. 2, 1944, are to be reduced as much as $4 a cord, as result of change by the O.P.A. of the United States on ceiling prices on pulpwood shipped from Quebec, New Brunswick and Nova Scotia. The new ruling is effective as of Jan. 18, 1945.

Exceptions will be made where a U.S. importer can show that pulpwood cut before Jan. 18, 1945, cannot be obtained at existing ceiling prices. But there will be no exceptions on wood cut after the effective date of the order.

Reason for the new ruling is that ceiling prices were fixed on pulpwood imported from the three Canadian provinces on May 1, 1944, but imports under contracts made prior to Feb. 2, 1944, were exempt from the ceiling restrictions, and this, it is said, caused dislocation in the industry.



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A PROVINCIAL PAPER

Crystal Gazing WON'T Solve Your Business Problems

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Give your business the benefit of planned engineering.

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Backed by skilled engineering knowledge and twenty-three years of experience, our organization offers you a sincere service of effective business engineering.

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INDUSTRIAL CONSULTANTS
66 KING STREET EAST, HAMILTON, ONTARIO

You Asked Us—

The Financial Post will provide subscribers as quickly as possible the answers to specific questions about business, taxation, investments, wartime regulations and other subjects. The Post cannot undertake to make predictions, will not express opinions on matters involving individual business judgment or on conditions or investments outside Canada. All communications should be addressed to Business Enquiry Editor, The Financial Post, 481 University Ave. A four-cent stamp and address label from subscriber's copy of The Financial Post must be enclosed.

INCOME TAX

Life Insurance Annuity

I have been asked to take out an annuity for a term certain with a life insurance company, paying for it with a single large premium. The insurance man tells me that the interest portion only of the annuity will be taxable. Is this correct?

Yes. Only the interest portion of the annuity is subject to income tax, provided the annuity is for a stated term and not for life.

Replaces House Mortgage

I bought a house in 1944 on which there was a first mortgage. I paid this off and replaced it with another mortgage at a lower interest rate. Am I allowed to claim the payments of principal I made against the mortgage as a deduction from compulsory savings?

You had better take this up with the inspector of income tax in your district. As the mortgage you took out was really to replace or renew one already existing, it is possible you may be allowed to deduct the principal payments made from your compulsory savings.

INVESTMENTS

Cons. Oka Sand

I hold the securities given in exchange for Consolidated Oka Sand & Gravel Co. What is the market for them?

For each $1,000 principal amount of old 6½% bonds held, you will have received $400 of new 3% non-cumulative income debentures, 18 new non-cumulative proference shares and 38 new common shares of the Consolidated Oka Sand & Gravel Co. The Financial Post is advised that securities received for each $1,000 bond are traded as a block and currently worth around $420 in the market.

Minn. & Ont. Paper

What is the present standing of Minnesota & Ontario Paper Co. 6% preferred stock? I bought 100 shares in May, 1937.

Minnesota & Ontario Paper Co. was reorganized under a plan dated July 16, 1940, which was consummated on Feb. 28, 1941. Under this plan the old company was stated to be insolvent and nothing was available for holders of preferred and common stock. Consequently it would seem that your hundred shares of the old 6% preferred stock of Minnesota & Ontario Paper Co. would be worthless. We would suggest that you write R. D. Main, secretary and treasurer, Minnesota & Ontario Paper Co., 500 Baker Arcade Building, Minneappolis, Minn., and confirm this with him before destroying your certificates.

Hamilton Bridge

Would you give me some information on the capital structure and earnings of Hamilton Bridge Co.?

Capitalization of Hamilton Bridge as at Dec. 31, 1943, consisted of 245,750 shares of no par value common stock.

Earnings per share have been 40c. in 1943, 77c. in 1942, 80c. in 1941, 67c. in 1940, and a deficit of 34c. a share in 1939. Earnings for 1943 and 1942 are after excluding the refundable portion of excess profits tax, which, if included, would mean earnings of 58c. in 1943 and $1 in 1942 per share of common stock.

As at Dec. 31, 1943, current assets totalled $4,927,526, and current liabilities $3,241,455, leaving working capital at that time of $1,686,071. Other assets include the refundable portion of the excess profits tax of $72,000, deferred charges of $5,408, land of $150,350, buildings, machinery and equipment of $1,781,924, less the reserve for depreciation of $766,978, leaving a net value of $1,014,946. Company had a reserve for contingencies of $300,000, carried its common stock at a book value of $2,439,500, and has a combined capital and earned surplus of $117,275, and a deferred surplus of $72,000.

In September, 1944, the company announced that it had acquired control of Sawyer-Massey Ltd. in order to diversify its operations, and expand its machine shop facilities, so as to obviate its entire dependence on structural steel fabrication in the postwar period.

Queenston Gold Mines

What are the reasons for the current market strength in Queenston Gold Mines?

A new interest has been infused into Queenston Gold Mines by the diamond drilling of a new section of the company's Hogarth claims. First drill hole in this section has returned 1½ ft. of core averaging $42.70 a ton with its recheck running $355.95. A further hole is now being drilled 150 ft. to the east for the purpose of picking up the extension.

The main sector at Queenston Gold Mines is indicated as possessing two or three million tons of medium- to low-grade material and prospects appear bright for a fairly substantial operation after the war. The company has a large sum of money in its treasury, and Upper Canada Mines, which is participating in financing, probably will be willing to treat the company's ore.

No Interest Payment On FPS Corp. Bonds

From Our Own Correspondent

MONTREAL—A. J. Nesbitt, president of Foreign Power Securities Corp., states in that company's annual report that war conditions continue to obscure the status and value of its holdings of French securities which at the time of the German invasion of France in May, 1940, were held by the Paris (France) agents of the Montreal Trust Co., trustee. Payment of the bond interest coupon due June 1, 1940, and of subsequent coupons, "will necessarily have to be deferred until conclusion of the European war clarifies the status of investments in France," Mr. Nesbitt states.

Gross revenue of Foreign Power Securities Corp. from interest and dividends on investments derived from holdings in Canada during the year ended Oct. 31, 1944, totalled $20,758 and net revenue was $16,123. As interest on the funded debt totalled $101,490, there was a deficit for the year of $85,367. For the previous year, gross was $20,387, net revenue $15,871, bond interest requirements $101,670, years deficit $85,798.

East. Township Firms Expanding Facilities

From Our Own Correspondent

MONTREAL — Southern Canada Power Co. reports further expansion by industries operating in its territory.

The Yamaska Mills at St. Pie are enlarging their plant; Dominion Snath Co. at Waterville is expanding; Dundas Textile, Ltd., at Granby has built a new plant extension; Imperial Tobacco Co. has reopened at Farnham La Co-operative de Tabac de Farnham to stimulate local tobacco growing; the Cookshire Woollen Mills at Cookshire has practically completed a new building and R. Wallace & Sons Mfg. Co., also at Cookshire, have greatly extended plant facilities. At St. Johns, Fortin Frères have started manufacture of furniture at a new plant. At Iberville a new paper specialties plant has been started up and there has been expansion by other companies.

Southern Canada Power itself has done an extensive reconditioning job at its power station at Hemmings Falls.

Collateral borrowings by member firms of the Montreal Stock Exchange and Montreal Curb Market at end of December reached a new four-year high at $12,455,800, gain of $800,397 over preceding month and up $3,724,065 over Dec., 1943.

Capital Change By Ont. Silknit

Old Preferred to Get Bonds, New Preferred and Common Stock

At a recent meeting shareholders of Ontario Silknit approved a plan for capital reorganization.

To eliminate dividend arrears on the preferred stock and increase the return to the present preferred stockholder the directors of Ontario Silknit plan to exchange each share of the old $100 par value 7% cumulative preferred stock for one $40 par value of 5% first secured 20-year bonds and one new 5% preferred share of a par value of $40 plus two $5 par value common shares.

The change would result in the elimination of the 10,000 (par value $100) preference shares and their replacement by $400,000 par value of 20-year 5% first secured bonds, 10,000 shares of new preferred (par $40) and 20,000 new common shares (par $5). A balance of $100,000 from the conversion will be credited to capital surplus.

Presently outstanding 40,085 shares of no par value common shares are being given a $5 par value and the difference of $14,085 between the new total par value and the present book value is to be credited to capital surplus. Upon completion of reorganization 60,085 common shares will be outstanding.

Even with increased profits it has been impossible to pay off arrears of dividends on the preference shares, which at Dec. 31, 1943, amounted to $33 a share, says President M. H. Epstein in a letter to shareholders. Though there has been an improvement in earnings of the Canadian companies and the Australian subsidiaries in 1943, increased taxes, and reduced profits of the English subsidiary more than offset this. No revenue can be expected from the overseas subsidiaries until exchange control restrictions are removed or lessened.

Shareholders' approval of the proposed plan is being sought in a special meeting to be held Jan. 18, 1945.

Canada Permanent Mortgage Corp. and Real Estate Loan Co. of Canada shareholders agreed unanimously in special general meetings last week to the purchase of Real Estate Loan Co. by the Canada Permanent for $687,500.

BRANCH MANAGER

A. C. Lloyd becomes manager of the Montreal office of Toronto General Trusts Corp. on retirement of J. H. A. Byers.

International Nickel Co. of Canada, Ltd., has advised the Montreal Stock Exchange that it has issued certificates covering 280 shares of $100 par preferred stock in exchange for certificates covering 5,600 shares of $5 par value preferred stock.

Dominion and Provincial
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Municipal Bonds
Public Utility
and
Industrial Financing

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THE ONTARIO LOAN AND DEBENTURE CO.
LONDON, CANADA
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DEPOSITS ACCEPTED 5-YEAR DEBENTURES ISSUED
Deposits and Debentures (31 Dec., 1943) $13,184,162

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A pamphlet containing current offerings of a wide selection of Canadian Government, Public Utility and Industrial bonds.

Ask for a copy.

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Limited
Established 1903
330 Bay Street TORONTO 244 St. James Street MONTREAL
Offices throughout Canada

1

A BUSINESS SESSION
on
The London Life Annual Report

Questions and Answers that reveal valuable information

Is the Company playing an important part in providing financial security for Canadians?

It certainly is. The Billion Dollar mark in life insurance in force was passed during the year. The total at the end of 1944 was one billion and thirty-four million. This is about one-ninth of all the life insurance in force in Canada.

How much insurance did Canadians buy from your Company last year?

One hundred and sixteen million—more than two million dollars a week.

Are war claims heavy?

War claims were twice as large as a year ago but well within the amount for which provision had been made. The Company has made preparation for unusual strain by building strong contingency reserves, as well as providing for claims which may have occurred but of which it has not received word.

What are the Company's principal financial obligations?

Policy reserves are the chief item. They amount to over $151,000,000 and represent 74% of the total assets. Other liabilities to policyholders and their families, such as money left on deposit with the Company and policy dividends, total almost $27,000,000, which is a further 13.2%. Other items including staff pension fund, capital, provision for taxes and miscellaneous liabilities total $10,700,000 or 5.2% of the assets.

What are the resources of the Company?

The total assets are now $204,282,000. Over ninety-two percent of this sum is required to cover the obligations just mentioned and the remaining 7.6% represents contingency and surplus funds held for added security to policyholders.

How about dividend rates in 1945?

London Life policyholders will receive the same high rate of dividends during 1945, despite the lower interest earned on investments. A further decrease in the expense rate has helped to make this possible.

How do you account for the progress of The London Life?

An essential factor has been its long established record for insurance at low cost to policyholders, while maintaining a strong financial position.

The public realize the advantage they gain from the Company's financial stability, and they appreciate the high reputation the members of its sales organization have earned for themselves as counsellors. The London Life selects as representatives only those who show a definite fitness for the life insurance business and then spares no efforts in training and equipping them to give sound advice.

It is the combination of these factors—low cost, public confidence and highly skilled sales service—which is the basis of the London Life's rapid and healthy growth.

A copy of the 1944 Annual Report will be mailed upon request.

The London Life Insurance Company
Head Office • • London, Canada

The Wawanēsa
Mutual Insurance Company
—ORGANIZED IN 1896—
Admitted Assets... $4,382,095.84
Surplus 2,431,602.73
Dom. Govt. Deposit 2,701,545.19
— Write for Financial Statement —
Head Office, WAWANESA, Man.
Eastern Office: TORONTO, Ont.
Branches at Vancouver, Saskatoon, Winnipeg and Montreal.
2,000 Agents Across Canada.

United States
Fidelity & Guaranty
Company
TORONTO

"Consult your Agent
or Broker
as you would your
Doctor or Lawyer."

FIDELITY
Insurance Company
of Canada
TORONTO

Study of Tax Structure Urged

Life Insurance Executives Discuss Problems

Need of intensive study of Canada's tax structure and other national problems was urged on the public by executives of Canadian life insurance companies at the annual company meetings during the past few days. Discussion in community organizations was seen an important avenue for such study, holding possibilities for development of public opinion and making it vocal. Quotations from the addresses follow.

G. FAY DAVIES, general manager National Life Assurance Co.

One of the greatest lacks today is that of round table discussions in our various communities. There is really nothing that takes the place of the old discussions around the stove in the country stores. As a result we have become too much centred in our own thinking. In very many cases talking things over gets rid of differences of opinion......

Possibly some of the best ways of dealing with groups of people with peculiar ideas is not to fight them but to win them over..... The future of this country rests with those who have not yet made up their minds. Let us therefore get in among them and help them make up their minds.

• • •

M. R. GOODERHAM, president Manufacturers Life Insurance Co.

While the volume of new life insurance reflects the trend of general business activity, it is a fact beyond question that even in times of great prosperity and of high national income, very little life insurance would be purchased were it not for the perseverance of life insurance salesmen constantly reminding people of their responsibilities...

The primary functions of life insurance company management are the collection of premiums from the policyholders, the safe investment of these moneys and the distribution of the accumulated funds in benefits in accordance with the terms of the individual contracts as they mature. It is the anticipation of future benefits that induces policyholders to purchase life insurance.

• • •

J. E. JEFFERY, president London Life Insurance Co.

Everything that is done these days quite rightly is considered with reference to the war. The winning of the war comes first and in the management of the company's day-to-day activities we have had this end in view. Accordingly, in 1944 our company subscribed over $30 millions to Victory loans, a sum more than 50% greater than the increase in assets. Investing such a large proportion of the company's funds in securities carrying interest at 3% results in lower average earnings..... We are confident our policyholders will agree fully with the decision to place almost all of the company's available funds in Victory loans.

A. N. MITCHELL, president Canada Life Assurance Co.

Heavy taxation and national impoverishment have a definite affinity. Low taxation on the other hand has helped create the unparalleled record of progress and high living standards found on this continent. When taxation lessens initiative it must decrease the nation's chance of building a sound economic security.

War has, of necessity, brought taxation to a point that would have been intolerable in times of peace. Its destructive forces in times of war are offset by the people's willingness to pay any price for victory. The situation will entirely change with the passing of that anxiety, and public antagonism to a heavy tax load will increase. When war ceases, the tax structure, as a result, must be revamped. It is to be hoped that we will set up some sound and impartial investigating bodies in sufficient time to help us acquire the wisdom needed to readjust ourselves to the necessities of the situation.

• • • •

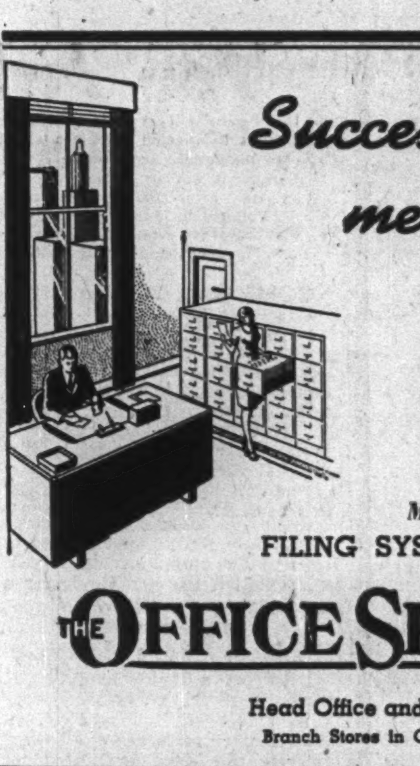
V. R. SMITH, president Confederation Life Association

Let us consider the foremost of Canada's postwar domestic problems—the re-allocation of the responsibilities of the taxing powers of the Dominion and the provinces. We now are promised a Dominion-Provincial conference after the next federal election. But we have already had one such conference which failed to achieve any tangible result...In my opinion the failure of the conference arose because no really worthwhile effort was made to have the problem and its solution discussed by average citizens throughout the country...But is there any reason why such problems should not be analyzed and discussed and their solutions argued in Boards of Trade, farm organizations, etc., until satisfactory solutions have been hammered out that will receive the support of public opinion, that is, all good thoughtful citizens?

• • • •

J. F. WESTON, president Imperial Life Assurance Co.

The magnitude and spread of life insurance in Canada makes it a matter of great concern to all our people that they be protected in their right to have their life insurance savings invested as at present, within the limited scope permitted by our Insurance Act, rather than in unprotected ventures, whether engaged in by companies or by government boards. If by the latter, any loss sustained would revert to the policyholders as citizens through increased taxation. It is incumbent on the policyholder to be alert to the implications in the propaganda being so widely circulated advocating changes which would defeat the primary purpose of life insurance, which is to preserve the personal independence of the citizens in a free democracy. We must be alert to suggested change lest grasping for the shadow we lose all.



CONSENSUS of opinion is unanimous that post-war business operations need planning NOW. To meet the looming new conditions and problems of management, the control of production and distribution, a primary "must" will be efficiency in the "executive workshop". That calls for BETTER TOOLS!

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FILING SYSTEMS and OFFICE EQUIPMENT

THE OFFICE SPECIALTY MFG. Co. LIMITED

Head Office and Factories — Newmarket, Ont.
Branch Stores in Canadian Cities from Coast to Coast.

New Asst. Branch Mgr. For General Accident

Cyril S. Thompson has been appointed assistant branch manager of the General Accident Assurance Co. of Canada at Vancouver. He has been with General Accident since 1929 and was formerly inspector at the Winnipeg Office. He is succeeded at Winnipeg by Donald J. Holland who has been for some years with the Western Canada Insurance Underwriters Association at Winnipeg.

Going Away?—Tell Your Insurer

Absence Over 30 Days May Invalidate Your Fire Policy

Of concern to every property owner in Ontario is a majority decision by the Ontario Court of Appeal that if a building is unoccupied for more than 30 days—except for occasional week-end or overnight visits—a fire insurance policy is void unless notice of absence has been given the company and permission obtained.

It emphasizes the need of notifying the insurance company of any absence over 30 days even if it be broken by a short return visit; points also to the importance to a property owner that he read his policy carefully and observe the statutory conditions. Otherwise he may find after a fire that his insurance is void.

The statutory conditions are part of the Ontario Insurance Act and are printed in every fire insurance policy.

Two Statutory Conditions

In the case in question failure to observe two statutory conditions prevented the property owner getting any indemnity under his contract.

The two conditions were:

No, 5d. Unless permission is given by the policy or endorsed thereon the insurer shall not be liable for loss or damage occurring when the building insured or containing the property insured is to the knowledge of the insured vacant or unoccupied for more than 30 consecutive days....

No, 7. Any change material to the risk and within the control and knowledge of the insured shall void the policy as to the part affected thereby, unless the change is promptly notified in writing to the insurer or its local agent; and the insurer when so notified, may return the unearned portion of the premium and cancel the policy or may notify the insured in writing that if he desires the policy to continue in force he must within 15 days.... pay an additional premium....

Circumstances of the case before the court were as follows:

A farmer near Grimsby took a job in town in Jan., 1943, and went to live there. The farm was not operated and was unoccupied except for occasional week-end or overnight visits. On March 22 fire, evidently of incendiary origin, destroyed the barn and damaged the house. The insurance company denied liability claiming that the property had been unoccupied and that there had therefore been a change material to the risk and that no notice had been given by the insured on either points.

At the trial in the High Court of Ontario, judgment was given for the insured, the court claiming that the occasional visits during the period between the time he had left the farm and the time of the fire were occupancy and there had been no change material to the risk.

On appeal a majority of the court ruled that the occasional visits made by the owner did not constitute occupancy and that there had been a change material to the risk and therefore the policy was void. One of the three appeal judges, however, agreed with the trial judge that the occasional visits of the insured to the property did constitute occupancy.

One of the judges deciding against the property owner, however, states that there might conceivably be cases where a short period of real occupation breaks and divides adjacent periods of non-occupation, neither of which alone exceed 30 consecutive days and where the insured would be protected against voidance of his policy by the provisions of 5d. "The facts here do not warrant such a conclusion," he added.

Should Notify Company

Accordingly any property owner who expects to be away from his property for over 30 days, even if he pays an occasional visit back, should at once notify his insurance company in writing and make arrangements. If, however, his policy definitely states that periods of absence are allowed or if he gets an endorsement on the policy to that effect there would be no trouble.

In the case of a summer cottage, a week-end house, etc., the application for insurance and the policy itself should state that the property is not continuously occupied and the premium is arranged accordingly.

Other Conditions

There are other statutory conditions that should be read and observed. For example, if the property is falsely described, if it is undergoing extensive repairs taking more than 15 days, or if the fire is caused by ashes or embers being deposited with the knowledge and consent of the insured in wooden vessels or if more than one quart of gasoline is kept on the premises, the policy may be void.

Insurance lawyers say the lesson of the most recent decision is for the property owner to carefully read his policy and then take up with his company in writing any questions that may arise such as his absence from the property. In such matters it is stated nothing should be taken for granted. But in most cases as long as the company knows the circumstances, the necessary permission is given and the policy continues in force.

BANK DIRECTOR

Senator Elie Beauregard, Montreal, elected a director of the Provincial Bank of Canada, is president of Canadian Industrial Alcohol Co., vice-president General Security Insurance Co. of Canada.

The Western Assurance Company

NOTICE is hereby given that The Western Assurance Company has received Certificate of Registry authorizing it to transact in Canada the business of Forgery Insurance, in addition to the classes for which it is already registered.

Dated at Toronto, this 27th day of December, 1944.

C. R. MORROW,
Secretary.

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For dependable Industrial and Real Estate valuations, select a company of unquestioned reputation.
We suggest the services of this organization.
Equipped to carry out work of any magnitude within a reasonable space of time.
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Automobile and General Casualty Insurance
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MUTUAL CASUALTY COMPANY
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"THE SAFETY-MINDED COMPANY"

"You can prevent such catastrophes"

FOR many years Albert Flandreau Dean, an executive officer of a leading fire insurance company, and a versatile inventor of interest tables and adding machines, told insurance leaders:

"You have the power to prevent many conflagrations ... by offering liberal rate reductions where buildings are constructed of fire-proof materials, equipped with proper safeguards and protected by their communities with adequate fire-fighting facilities."

The disastrous Baltimore and San Francisco fires in 1906 convinced them he was right, and his "Analytic System for the Measurement of Fire Hazards," then in use in Illinois, was adopted in many cities.

Today Dean's methods are in use in more than half the nation and similar plans employed elsewhere. His work opened the way for the insurance industry *to prevent fires*, as well as protect against financial loss.

Thanks to "Schedule Rating," the modern fire insurance industry helps save thousands of American lives and millions of dollars of insured property.

A Comprehensive Reinsurance Service

Casualty and Bonding Lines
GENERAL REINSURANCE CORPORATION

Fire and Allied Lines
NORTH STAR REINSURANCE CORPORATION

90 John Street, New York 7 · 200 Bush Street, San Francisco 4

Fire Insurance Loss Ratio Up

Estimated by Finlayson at Around 50% — Car Experience Favorable

Fire and casualty insurance premiums written in 1944 are estimated by G. D. Finlayson, Dominion superintendent of insurance at over $110 millions, compared with about $99.3 millions in 1943. The amount is fairly evenly divided between the two classes with casualty premiums, including automobile, however being slightly the larger, Mr. Finlayson says. Both exceed $50 millions.

In the previous year, fire premiums written by Dominion licensed companies were $47.1 millions and casualty premium including automobile—$52.2 millions. The increase in fire premiums is attributed to increasing values of insurable buildings and contents, as well as renewal of many three year contracts written in 1941. Premium rates have been showing a steady downward trend, although the increasing fire loss in 1944 may check that tendency, he states.

Highest Since 1933

Ratio of fire losses to premiums written, he estimates at around 50%, compared with 47.04% in 1943. The 1944 ratio, he says, will be the highest since 1933 and not far below the average for the last 75 years at 51.83%.

Automobile insurance, Mr. Finlayson indicates will show a favorable experience, with premiums under $20 millions compared with $18.9 millions in 1943 and a loss ratio of probably less than 45% compared with 45.86% in the previous year.

The favorable experience he attributes to lessened traffic and increased caution of drivers.

Life Insurance Gains in 1944

Business in Force Estimated at About $9¼ Billions

Life insurance in force in Canada at the end of 1944 is estimated by C. D. Finlayson, Dominion superintendent of insurance at close to $9¼ billions, an increase of more than $650 millions over 1943.

The percentage gain in business in force is now running higher than any year since 1925, due to larger writing of new business and greater stability in the volume of business in force.

Premium payments now exceed $250 millions a year against $246 millions in 1943. Investments in Victory loans in 1944, according to Mr. Finlayson were approximately $350 millions.

Notwithstanding increased death claims due to the war, he believes the total mortality strain including war deaths will not materially exceed that of 1943. Improved civilian mortality in recent war years has apparently offset additional mortality due to the war.

Mortality rates per 1,000 of Canadian lives exposed to risk in this war and the last among industrial and ordinary policyholders, Mr. Finlayson gives as follows:

Year	Rate Per 1,000	Year	Rate Per 1,000
1913	8.61	1938	6.42
1914	8.41	1939	6.44
1915	8.66	1940	6.59
1916	10.45	1941	6.77
1917	10.85	1942	6.85
1918	13.90	1943	7.15
1919	8.08		
1920	7.93		

Dominion Woollens & Worsteds Ltd. has advised the Toronto Stock Exchange that an additional 2,150 common shares have been subscribed for, making a total of 61,698 common shares taken up by shareholders under the offering of rights. There are now 147,283 common shares outstanding.

THE
MANUFACTURERS LIFE
INSURANCE COMPANY

HEAD OFFICE - TORONTO, CANADA

Established 1887

FINANCIAL STATEMENT FOR THE YEAR ENDING
31st DECEMBER, 1944

ASSETS

BONDS		
Government and Government Guaranteed Securities	$149,740,646.96	
Municipal and Other Public Body Securities	22,210,547.60	
Public Utility Bonds	19,934,374.83	
Other Corporation Bonds	10,407,713.66	
		$202,293,283.05
PREFERRED AND COMMON STOCKS		
Preferred Stocks	$ 7,081,460.49	
Common Stocks	7,018,892.41	
		14,100,352.90
FIRST MORTGAGES ON REAL ESTATE		
Urban Properties	$ 15,566,836.91	
Farm Properties	2,793,621.34	
		18,360,458.25
LOANS ON THE COMPANY'S POLICIES		
Loans made to policyholders on the security of their policies in accordance with the provisions of the Company's policy contracts		15,119,517.66
OFFICE PREMISES, OTHER REAL ESTATE AND SALE AGREEMENTS		
Office Premises	$ 750,000.00	
Other Real Estate	1,681,900.99	
Sale Agreements	2,151,430.84	
		4,583,331.83
CASH ON HAND AND IN BANKS		3,319,012.68
TOTAL LEDGER ASSETS		$257,775,955.79
OTHER ASSETS		
Interest due and outstanding	$ 5,558.16	
Interest accrued but not due	2,447,098.35	
Deferred and outstanding premiums	4,680,959.31	
		7,133,615.82
		$264,909,571.61

LIABILITIES

POLICY AND ANNUITY RESERVES The actuarial liabilities of the Company in respect to its policy and annuity contracts	$216,075,078.90
DEATH AND DISABILITY CLAIMS AWAITING PROOF Claims of which the Company has received notification but for which the necessary documents are not yet complete	3,539,543.91
PROVISION FOR UNREPORTED DEATH AND DISABILITY CLAIMS A reserve fund for death and disability claims which may have occurred but notification of which has not been received by the Company	1,500,000.00
FUNDS ON DEPOSIT Policy proceeds and dividends left on deposit with the Company by policyholders and beneficiaries and accrued interest thereon	13,278,705.13
RESERVE FOR DIVIDENDS TO POLICYHOLDERS Policyholders' dividends to be paid during 1945 and provision for accrued dividends under quinquennial and other deferred dividend policies	3,200,000.00
OTHER LIABILITIES TO POLICYHOLDERS Amounts deposited for payment of future premiums and miscellaneous credits to policyholders' accounts	7,463,423.08
STAFF PENSION FUNDS The accrued liability of the Company in respect to the pension funds to which the Company and its employees jointly contribute	2,020,092.54
GOVERNMENT TAXES ACCRUED Provision for Federal, Provincial and State taxes payable in 1945	814,000.00
SUNDRY LIABILITIES Accrued rents, salaries, commissions, agency balances, Shareholders' dividends, etc.	1,751,915.36
SHAREHOLDERS' FUND Fully-paid capital stock of $1,500,000 plus balance standing to the credit of the Shareholders' Account	2,421,828.27
CONTINGENCY RESERVE	4,250,000.00
SURPLUS	8,594,900.33
	$264,909,571.61

M. R. GOODERHAM,
President.

J. H. LITHGOW,
Vice-President and General Manager.

AUDITORS' REPORT TO THE POLICYHOLDERS AHD SHAREHOLDERS

We have examined the above balance sheet of The Manufacturers Life Insurance Company as at 31st December, 1944, and in addition have made periodic test audits of the transactions throughout the year. We confirmed the bank balances and securities (valued within the requirements of the Dominion Government) representing the Company's investments in bonds and stocks by actual inspection or by certificate from the depositories, except bank balances and securities in enemy countries or countries occupied by the enemy, which, however, are less than the liability to policyholders in those countries. The reserves and other liabilities under policy contracts are stated at the amount certified to by the Company's Actuary.

We have received all the information and explanations we have required and, subject to the foregoing, we report that in our opinion the above balance sheet and related cash statement have been drawn up so as to exhibit a true and correct view of the position of the Company at 31st December, 1944, and a correct summary of the cash transactions for the year ended on that date, according to the best of our information, the explanations given to us, and as shown by the books of the Company.

CLARKSON, GORDON, DILWORTH & NASH,
Chartered Accountants.

Toronto, January 17th, 1945.

BOARD OF DIRECTORS

M. R. GOODERHAM, K.C.
President

J. H. LITHGOW LEIGH M. McCARTHY
Vice-Presidents

C. S. BAND ROLPH R. CORSON
E. W. BICKLE R. A. DALY
A. L. BISHOP W. J. GRANT

WAR CALLS FOR THRIFT

When the government wartime programme calls for money, be prepared. Be in a position to write your cheque. Have a balance in your savings account constantly growing. Open an account with the Canada Permanent and make deposits regularly and systematically.

2% on Savings—Safety Deposit Boxes $3 and up —Mortgage Loans.

CANADA PERMANENT
Mortgage Corporation
Head Office, 320 Bay St., Toronto
Assets Exceed $61,000,000

Construction Trade Calls For Clearer Signals Asks Early Rounding Out of Postwar Plans

By CLIVE CHATTOE

Although the Canadian Construction Association isn't adding substantially to its 14-month-old recommendations to Ottawa on housing and reconstruction planning, minor modifications in some of them were outlined by the CCA reconstruction committee chairman and past president, John B. Stirling, Montreal, in a lengthy committee report to the association's 27th annual meeting in Quebec last week.

For upward of 500 representatives of member firms in contracting, manufacturing and supply branches attending the convention the report commanded top attention because it reviewed in detail considerable progress made by the Government in implementing some of the CCA's 25 main proposals to the parliamentary committee on reconstruction.

Want Policy Statement

Finding that Ottawa already had "proceeded a considerable distance" in adopting CCA proposals, but that a large volume of construction work may need organization assistance and some control in the immediate postwar period, the association in its main resolution asked for further declaration of Government postwar policy "at the earliest date consistent with the state of the war effort."

The industry doesn't conceal concern at what it fears may become a serious shortage of skilled construction mechanics. The CCA by resolution expresses disappointment at enrolment to date of discharged servicemen for building trades training, calls for a combined effort to boost the enrolment and offers to co-operate with the Dominion and provincial departments concerned. The new Dominion-Provincial adult training program under apprenticeship legislation is commended.

Punish Illegal Strikers

The construction industry has enjoyed uniformly good relations with organized labor but is reported perturbed at continued illegal strikes in other industries despite Dominion legislation set up to deal with them. The CCA asks full implementation of punitive measures in such cases. And it once more strongly deplores the engagement of labor organizations in political activities.

Another decision is that the industry's collective bargaining will be continued, and with the same parties as are concerned in existing agreements on wages and working conditions. It is recommended that the association continue its representation on the National Joint Conference Board for the Building Trades, as at present constituted.

New Hope for Costs?

Believing that the co-ordination of dimensions of building materials will speed construction work and reduce costs, the association goes on record as in favor of the plan sponsored in the United States by the American Institute of Architects and the Producers' Council, a plan generally known as "modular planning in building design." The CCA recommends to all firms manufacturing construction materials or components the adoption of such standard sizes as will conform to the module proposed.

The Timber Controller is requested to issue definite rulings regarding the price, grades and lengths of British Columbia lumber and timber; that the B.C. lumber industry's asserted practice of shipping more expensive grades and longer lengths than ordered be discontinued; that the rulings of the Controller conform to specifications issued by the departments of government calling for contractors' tenders.

Study Postwar Job

But it was to their industry's major responsibility for employment and economic stability after the war that CCA officers and delegates devoted closest attention through the three-day meeting. This was the dominant theme of Herbert C. Nicholls' presidential address and of four sectional huddles of general, trade and road contractors, manufacturers and suppliers.

It found most expression when the proceedings reached detailed discussion of present planning at government levels as seen by the CCA reconstruction committee. Here are some of the highlights:

Canada's "New Deal"

"Canada's postwar 'new deal' already formulated by the Dominion Government represents a new approach to stimulation of the economy; clear acceptance of deficit spending as an important means of smoothing out booms and depressions; a postwar volume of private construction such as to tax the industry's capacity as never before."

Mentioned specifically as "transfusions to industry" were expanded credit for housing and for development of small industries and exports, support for farm and fish prices, cash to consumers in family allowances, war service gratuities, pension and health measures.

No Tax Remission on Plans?

Advance preparation of plans and specifications is reported proceeding at a fair rate, particularly for public works. But no declaration has yet been made concerning remission of tax on cost of plans for postwar private expansion.

With Dominion-provincial relations still awaiting discussion, no statement has yet been made on share of cost of regional and local projects to be borne by Ottawa. Buildings rather than engineering works are said to be getting first scrutiny in this connection.

Some clarification is expected in the lumber production picture which may brighten the postwar outlook. But the price of export lumber at $8 a thousand above the domestic price weighs against present local supply.

The industry's fears of a year ago on the score of war assets disposal—particularly buildings and equipment—are seen likely to prove unfounded.

It is questionable whether any exemption from sales tax on construction materials should be advocated at this time. Doubtful too whether the industry should seriously urge city tax exemption for approved improvements for two or three years at least. Neither municipal nor provincial governments appear to have considered it.

Baby Fund a Housing Aid?

Dominion Government authorities are reported believing $5 a month of the proposed family allowance payments may become available in each family as an addition to its rent fund, thus make direct rent subsidy unnecessary. This view remains to be tested, as does the sufficiency of inducements which Part 2 of the new National Housing Act offers life insurance companies and limited dividend housing companies to enter the field of low-rent housing.

Noted with aproval are implementation by Ottawa of recommendations by the CCA and other groups for the setting up of (a), local town planning and zoning committees; (b), a housing assistance branch in the Dept. of Reconstruction; (c), special aids for farm housing.

May Time Public Works

The Dominion Government is reported seriously considering the desirability of integration and time-programming of federal-provincial-municipal public works to smooth out cyclical fluctuations in construction. But nothing constructive in this regard has yet been seen in provincial and municipal circles and no thorough-going three-way declaration is expected in the immediate future. Short-term control of course lies with the Construction Controller in the Munitions Dept.

"Two years ago, says the Stirling Committee in conclusion, "we were alarmed at prospects of war-end unemployment. Opinion has shifted; now it is that little if any stimulus will have to be found in the first two or three years other than the provisions already being made by the Government plus the enormous spending capacity of the public through accumulated saving and in huge amounts to be disbursed in demobilization procedures.

"Opinion now seems to be that a considerable element of control will have to be exercised for the first two or three years to prevent an overloading of the construction market."

1945 Officers Elected

The following executive was named for 1945 by the Canadian Construction Association:

HERBERT C. NICHOLLS, Toronto, president.

JOHN B. STIRLING, Montreal, past president.

ALBERT DESCHAMPS, Montreal, vice-president.

JOHN N. FLOOD, Saint John, Atlantic vice-president.

PHILIP N. GROSS, Montreal, Quebec vice-president.

ALLAN C. ROSS, Ottawa, Ontario vice-president.

W. B. RAMSAY, Regina, Western vice-president.

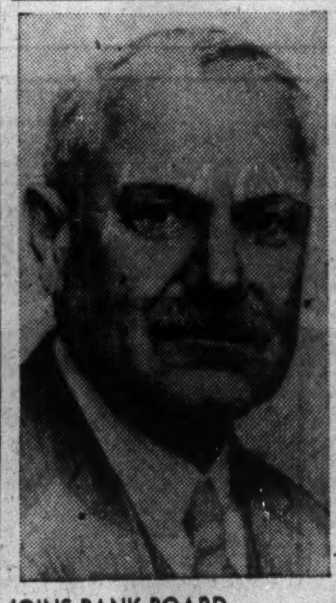
JOHN G. BENNETT, Vancouver, Pacific vice-president.

E. G. MONTGOMERY, Montreal, honorary secretary.

E. S. SARGEANT, Toronto, honorary treasurer.

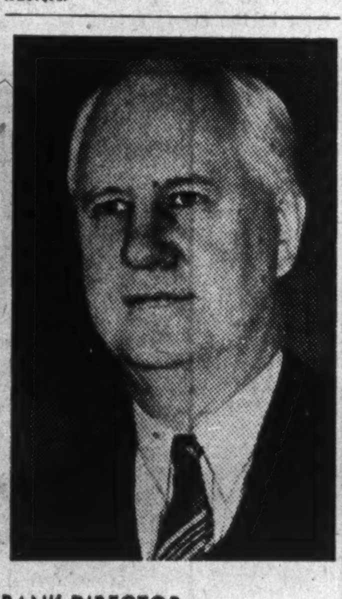
J. CLARK REILLY, Ottawa, general manager.

Section chairmen and vice-chairmen: ROBERT DRUMMOND, Toronto, and R. E. STEWART, Sherbrooke, general contractors; J. A. LAPRES, Montreal, and N. E. EAGER, Hamilton, manufacturing & supply; J. A. JUNEAU, Quebec, and F. WILLIAM PURDY, Toronto, trade contractors; G. G. ROBINSON, Toronto, and H. J. O'CONNELL, Montreal, road contractors.



JOINS BANK BOARD

Major R. H. Parent, Ottawa physician, president of the mutual insurance company, St. Joseph Union of Canada, has been elected a director of the Provincial Bank of Canada.



BANK DIRECTOR

W. G. More elected a director of the Imperial Bank of Canada. He was appointed general manager of the bank last August, succeeding the late H. T. Jaffray.

National Life

Business in force $81 millions.
Policy payments higher.
Bond holdings rise.

Insurance in force with the National Life Assurance Co. rose $6 millions in 1944 to over $81 millions. New business written was also up about $2.3 millions.

Total assets are now over $16 millions. Feature of the company's investment operations, the report states, is the large amount of money invested in Dominion Government bonds, holdings of Dominion Government issues increasing $2.5 millions. The 1944 investment in Victory loans was $618,573 more than the total premium income.

The heavy investment in Victory loans the report states reduced the net rate of interest earned on invested assets from 4.03% to 3.82%.

War claims during the year were 21.5% of the total number and 7.34% by amount of total claims incurred during the year.

Important items follow.

	1944 $	1943 $
Business in force	81,106,943	75,039,370
New business	11,173,000	8,800,000
Total receipts	2,902,282	2,602,245
Prem. inc.	1,873,349	1,733,965
Int. divds.	651,621	652,417
Policy payments	1,068,957	1,052,081
Total assets	16,835,385	15,648,370
Bonds	11,237,971	10,249,193
Stocks	1,617,575	1,254,344
Mortgages	1,780,091	1,781,569
Pol. loans	1,163,469	1,286,905
Policy reserves	15,060,510	14,154,772
Surplus	546,188	478,422
Int. earned	3.82%	4.03%

Imperial Life

Insurance in force $366 millions.
Assets up $7.3 millions.
Policy payments rise.

New business written by the Imperial Life Assurance Co. in 1944 totalled $34.8 millions, exclusive of group insurance on new employees insured under existing group policies. This is $2.9 millions higher than the total for the previous year on a comparable basis. New insurance was then reported at over $35 millions including the new group business, which is now eliminated. Business in force rose $21.5 millions while policy payments also were slightly higher.

The rate of interest earned on investments was 4.10% against 4.14% in 1943. Collection of arrears of interest on mortgages is reflected in the result.

Of total investments 78.81% is in high-grade bonds largely government issues. During 1944 the company subscribed to $12 millions Victory bonds, of which $9.2 millions were paid for to the end of the year. Holdings of mortgages and policy loans are lower.

Important items follow.

	1944 $	1943 $
Business in force	366,204,246	344,633,524
Business issued	34,885,739	31,911,000
Total receipts	19,200,305	17,789,354
Prem. inc.	11,515,802	10,658,174
Int. divds.	4,524,380	4,449,334
Policy payments	6,704,294	6,535,163
Total assets	119,643,576	112,350,662
Bonds	91,981,926	82,678,476
Stocks	4,341,690	4,631,364
Mortgages	7,477,375	8,055,854
Pol. loans	8,538,941	9,267,924
Pol. reserves	95,556,229	90,006,618
Free surplus	3,919,105	3,659,300
Int. earned	4.10%	4.14%

BANK OF CANADA

Further Drop In Note Issue

Note circulation of the Bank of Canada shows a further decline of about $5 millions in the statement for the week ended Jan. 17. A declining trend is frequently seen in January when after the Christmas rush, less cash is wanted and the notes are gradually returned to the bank. Total deposits were slightly higher.

On the credit side, investments were slightly higher but miscellaneous assets were down, total assets being about $780,000 higher.

	Jan. 17 1945 $	Jan. 10 1945 $
Liabilities		
Capital paid-up	5,000,000	5,000,000
Notes in circ.	1,025,541,446	1,030,521,574
Rest fund	8,041,601	8,041,601
Deposits: Dom.	35,761,161	36,384,779
Chartered bks.	410,427,479	408,483,114
Other	30,675,642	31,538,698
Total deposits	476,864,282	476,406,591
Liabs. payable in sterling, U.S.A. and For. Gold currencies	172,257,273	172,257,273
All other liabs.	29,006,866	23,703,409
Total liabs.	1,716,711,468	1,715,930,448
Assets		
Sterl. & U. S. ex.	172,257,273	172,257,273
Subsid. coin	236,981	232,274
Investments:		
Dom. gov. sh.	940,666,230	942,272,513
Oth. Dom. gov.	576,678,800	573,183,729
Other secs.	10,000,000	10,000,000
Total invest.	1,527,345,530	1,525,456,242
Premises	1,818,109	1,818,109
All other assets	15,053,575	16,166,550
Total assets	1,716,711,468	1,715,930,448

Won't Bar Employees From Political Work

Contrary to the policy of many businesses which discourage executives from taking an active part in politics, The Royal Insurance Co. and its affiliated companies in Great Britain put no obstacle in the way of any of its employees politically inclined.

A letter circulated among the group's British staff states the directors don't want any company officials to be prevented from taking part in "county, municipal or other public service in local affairs—town or urban district council work or other such honorary activities," provided this doesn't involve undue encroachment on official duties.

The political party to which an individual may belong is considered entirely a matter of his personal choice. The letter adds that, if any member of the staff wishes to engage in such activities, his application will be sympathetically considered and so far as his official duties permit sanctioned.

Staff Changes

The Royal Bank of Canada announces the following staff changes:

G. H. BUTLER, accountant Vancouver, to be manager Grandview, Vancouver.

A. U. MATTE, manager St. Roch, Que., to be manager Place d'Armes, Montreal.

E. O. LACROIX, accountant Sherbrooke, Que., to be manager St. Paul l'Ermité, Que.

H. BAINES, accountant Lethbridge, Alta., to be account 3rd St. West, Calgary.

F. W. DOHERTY, manager Place d'Armes, Montreal, retires.

RED DEER BRAND

BIRCH and HARD MAPLE FLOORING

"This name has long been associated with High Grade Hardwood Flooring and Northern Hardwoods; Spruce and Hemlock."

The MUSKOKA WOOD MFG. CO., Limited
HUNTSVILLE - ONTARIO

O'DONNELL-MACKIE LIMITED
Manufacturers of
PRECISION AIRCRAFT PARTS
INDUSTRIAL VALVES & FITTINGS
STUDEBAKER DISTRIBUTORS
CARS — TRUCKS — PARTS — REPAIRS
1221 BAY ST. — MI. 3571

SHARES of Commonwealth International CORPORATION LIMITED

An Investment Company

- The shares of Commonwealth International Corporation are a time-tested investment.
- The company was incorporated under the laws of the Dominion of Canada in 1933.
  Head Office—The Royal Trust Co., Charlottetown, P.E.I.
  Principal Business Office—The Royal Bank Building, Montreal
- Dividends have been paid quarterly without interruption since incorporation.
- An investment in the shares of Commonwealth International gives you a maximum degree of safety, through diversification of holdings and the fact that the corporation owns outright all securities in its portfolio.
- Investment in these shares simplifies the Income Tax calculations of the individual and eliminates the duplication of Succession Duties.
- The shares of Commonwealth International are self-liquidating and consequently a positive market is available at full asset value.

Consult your Investment Dealer or Broker for further information

IN PRESENT & POSTWAR MACHINE SHOP WORK
ACCURACY WITH HIGH SPEED PRODUCTION
General Machine Shop Work
Tools, Jigs, Fixtures, Etc.
Aircraft Parts
R.C.A.F. Approval
WE SOLICIT PRIME AND SUBCONTRACT ORDERS
RIVERDALE GARAGE LTD.
Machine Room Division
755 Danforth Ave. TORONTO 6 HA. 2103
Established 1911 J. A. Hearn, Managing Director

Free Enterprise IS THE DRIVING FORCE!

LUMBERING is one of Canada's greatest industries. It creates employment for thousands of men.

But lumbering didn't just happen. It took enterprising men... men who had courage, initiative and vision to turn our forests into lumber, prepared for its journey to the markets of Canada and the world. Free Enterprise was the driving force... then as now, creating employment and increasing individual and national prosperity.

This century-old Bank has long been identified with Canada's lumber industry... has supported it with essential banking facilities... sharing in the growth of a self-reliant, prosperous Canada.

Keep Canada Strong and Free!

The BANK of NOVA SCOTIA
Branches from Coast to Coast

Move in and LIVE with Your Prospects for a While

In no other medium will your advertising dollar go as far, live as long, reach as many, or buy as much, as it will in Canadian magazines.

Let your prospects see a lot of you for a while. Live with them for a month, or more... encourage them to know more about you, to like you better and better.

That is just what you can do through the advertising pages of Canada's magazines... for magazines stay in the home, and are read and re-read, so that you meet their readers often, and have many opportunities to win their favour.

Your message is presented more fully... in faithful colour, or the exceptional black and white reproduction made possible by the better printing processes of magazines. And your advertising lives longer than in most media... is seen more frequently.

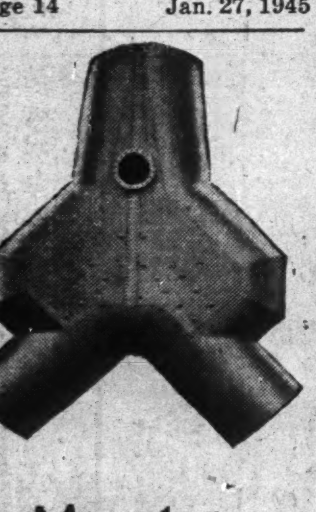
These days, when you are building for future markets, make full use of the longer life, greater coverage, and the selected 5,000,000 reader audience of Canadian magazines. And remember, magazines go where the money is. Ask your advertising agency for the complete story about Canadian magazines.

Province	Total Families	Combined Circulation
Prince Edward Island	19,590	6,216
Nova Scotia	124,020	53,408
New Brunswick	93,479	32,032
Quebec	647,854	352,818
Ontario	902,291	551,785
Manitoba	165,249	84,430
Saskatchewan	190,137	90,307
Alberta	175,744	116,558
British Columbia	198,362	143,553
Unclassified	....	2,456
Canada Total	2,516,726	1,433,663
Newfoundland	....	7,344
Miscellaneous	....	46,370
Total	[illegible]	1,487,377

MAGAZINE PUBLISHERS' ASSOCIATION OF CANADA

PARTICIPATING MEMBERS: Canadian Homes & Gardens... Canadian Home Journal... Chatelaine... La Petite Revue... La Revue Moderne... La Revue Populaire... Le Samedi... MacLean's Magazine... Mayfair... National Home Monthly... New World (Illustrated)

THE MAGAZINES OF CANADA
GIVE ECONOMICAL NATION-WIDE COVERAGE



Monster FROM MARS?

Two Stories High Weighs Ten Tons

No . . . this giant is not a traveller from another world. Actually, it is just a small section of the vast system of steel Blast Furnace ducts and piping, supplied by Toronto Iron Works to one of Canada's largest steel manufacturing plants.

Constructed to close tolerance, it is a good example of the large scale, intricate type of steel plate construction in which Toronto Iron Works specialize.

If you require light or heavy steel plate work . . . riveted or welded . . . designed, fabricated and erected . . . you can depend on the specialized ability of Toronto Iron Works. Consult us without obligation.

THE T.I.W. STEEL PLATE PRODUCTS
TORONTO IRON WORKS LIMITED
DESIGNERS, FABRICATORS, ERECTORS
TORONTO MONTREAL

LONDON CALLING — BY ADELPHI

Britons Are in High Spirits Again As Allied Air Clears, Enemy Reels

LONDON (by cable)—January is galloping through its allotted span and public opinion has rapidly recovered from the Christmas gloom. Rundstedt appears to be on his way back. The Russians are attacking with their old vigor and with a splendid denunciation of those who say that the war will last into 1946. The Greeks have stopped fighting each other as much as Greeks ever do—their national pastime. Even the slugging match between American and British publicists has taken on the aspect of a hangover when, in the cold dawn, inebriates wonder if they were quite as brilliant and wise as they seemed under the influence.

• • •

We are watching with interest here the forthcoming by-election in which General McNaughton will seek to enter Parliament. We have memories of what happened to Arthur Meighen when he gave up his senatorship and lost the leadership of the Tory party when he challenged the electoral fates. We liked General McNaughton here, even if he did cause some headaches beneath the brass hats at the War Office.

• • •

Extremists of the Left Peck Away at Churchill

The British Parliament meets once more after Christmas recess and Churchill once more leads off on Greece with a two-day debate on foreign affairs.

A group of the left wing extremists in Parliament and Fleet Street are playing the clever, not very helpful game of trying to reduce Churchill's prestige by degrees rather than attempt the impossible and destroy him all at once. Their object is to whittle away his popularity so that by the time the election comes he will appear played out. It is not a pretty business, but the left wingers argue that since Churchill chose to be the leader of the Tory party instead of being a nonparty prime minister at the head of a coalition, he must accept the rough and tumble of party controversy.

That is plausible but not more. In time of war the Prime Minister becomes the spokesman and almost the embodiment of the State. To attack him constantly, to impugn bad motives and weak counsel is to reduce the power of his voice not only at home but abroad. The left wing in England, while serving under Churchill is doing its best to undermine his influence in the world. In fairness to the labor movement this applies particularly to extremists.

As a matter of fact Labor is becoming worried about its future. Sir William Beveridge who was their god until he entered Parliament, has shown an increasing contempt for the principles and practices of Socialism. This is a severe blow and the great Beveridge will find himself, like Churchill, undergoing a process of debunking.

• • •

Baxter, Michael Foot In Hot Public Debate

One of the high spots of the present controversial campaign was a public debate between Beverley Baxter, representing the Tories, and Michael Foot, author of "Trial of Mussolini," "Brendan and Beverley" and part author of "Guilty men." There was some very hard hitting, the debate resolving itself into a charge that the Tories had sold Democracy down the river before the war and the counter charge that left wing publicists were now trying to destroy faith in Parliament so as to pave the way for the Fascism of the Left. The two protagonists kept their tempers, but never pulled their punches. Crowds tried to gain entrance to the debate, and, according to the Socialist Daily Herald, literally thousands were turned away, proof of intense interest here in the political situation.

• • •

That Rebuke to Americans Came From British Heart

Friends of mine in Canada have cabled asking if the anti-American article in The Economist was inspired and whether it was generally approved by public opinion in Britain. I can assure them that Geoffrey Crowther, editor of The Economist consulted no one and that the article was as complete a surprise to the Ministry of Information as it was to Americans.

Broadly speaking, Crowther's article expressed the irritation of the British at the perpetual pinpricks in the American press. The British are a patient race and bad publicists, but they feel they have been in the war longer than America, that they have sacrificed their foreign investments, that they have mobilized their man and woman power as no other nation has done and that they do not indulge in criticism of their allies. As, in addition, we have V-bombs coming through the winter skies and death, destruction and mutilation taking place in Southern England, the temper of the people is apt to be strained. The sedate Daily Telegraph reproduced the whole of The Economist article and gave it a blessing in its editorial column so it may be safely assumed that Crowther had the support of British public opinion generally.

However, the announcement that Montgomery had been stepped up again did much to restore good humor. That appointment is a tremendous tribute to Eisenhower and its reception in America proves, if it needs proving, that the American people are good sports. That is a commonplace way of expressing it but the English like to think in terms of sport.

On the whole the episode has cleared the air and let us hope that instead of plucking the eagle's wings and twisting the lion's tail both Americans and the British will concentrate on wringing the German vulture's neck.

• • •

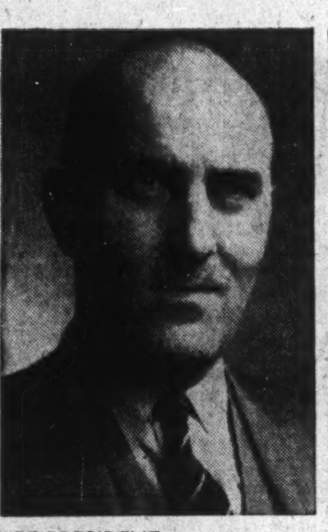
No Trial For Hitler View of Foreign Minister

The newest shock over here is the news published exclusively in the Sunday Express that Eden is against placing Hitler on trial as a war criminal and thinks he should be dealt with like Napoleon, that is without trial and presumably banished. There may be all sorts of legal difficulties in the way but the man in the street cannot see what processes of law have to do with it at all.

Does anyone suspect that Hitler would have found it impossible to try Churchill if he had won in 1940?

Political circles are intrigued by the fact that the revelation of Eden's policy was made in the Sunday Express which is owned by Cabinet Minister Beaverbrook and that it was supported in the Daily Express next morning. It is being asked whether this suggests a break between Eden and The Beaver. With some knowledge of both men I doubt it. Beaverbrook has been most punctilious toward his colleagues and has not used his newspapers for his political ends. At the same time it is difficult to believe he was unaware of publication of this story before it appeared.

However I end these notes as I began—Britain is in a cheerful mood today and even the pessimists are beginning to believe that the war will end sometime.



VICE-PRESIDENT

D. W. Ambridge becomes third vice-president and assistant general manager of Ontario Paper Co. and Quebec North Shore Paper Co.

VICE-PRESIDENT

Maj.-Gen. W. B. Kennedy, named fourth vice-president (in charge of woods operations) of Ontario Paper Co. and Quebec North Shore Paper Co.

Republic of Chile has given notice that on and after Feb. 1, 1945 holders of assented dollar bonds will be entitled to a payment at the rate of $11.26 per $1,000 bonds against presentation and surrender for cancellation of the two coupons corresponding to the said payment as set forth in letter of transmittal. Details of the payment and of the issues involved may be obtained from Schroder Trust Co., Trust Department, 48 Wall Street, New York 5, N.Y. U.S.A.

War Spending Down For Dec.

The reduction trend in total expenditure of the Dominion of Canada which was evident in the last (November) statement continued into December. Government spending was down $179,346,172 for the 9 months from Apr. 1, to Dec. 31, 1944 compared with the same period last year, as shown by the latest figures released by the Comptroller of the Treasury.

Again war expenditures showed the sharpest decline at $356,543,403 for Dec., 1944 as against $533,406,867 for December. Mutual Aid, on the other hand was up sharply for December at $305,514,767 compared with $107,549,611 for the same month of 1943.

A comparison of the figures for the 9-month period is shown below.

Dom. Govt. Receipts and Disbursements Apr. 1 to Dec. 31

	1944 ($000)	1943 ($000)
Receipts		
Excise & sales tax..	430,964	447,772
Income & E.P. tax..	1,166,908	1,172,621
Other rev.	296,579	322,987
Tota lord. rev.	1,894,451	1,943,380
Special receipts	45,866	19,704
Total	1,940,318	1,963,084
Disbursements:		
To prov. re tax agree.	76,091	74,040
Int. on pub. debt ...	242,493	188,061
Other ordinary	209,449	190,746
Total ordinary	528,033	452,847
Capital exp.*	2,298	2,016
War expenditure ...	2,422,378	2,772,694
U. N. Mutual Aid...	674,525	558,026
Agric. assist. & relief	4,480	25,569
Total special exp. ..	3,101,383	3,356,289
Other exp.	1,344	1,251
Grand total exp.	3,633,059	3,812,405
Loans & Investments:		
C. N Rly.	†111,974	10,774
Soldier Settlement .	5,252	250
Other	18,097	9,293
Total loans	135,323	20,317

*Transport. †Includes $91,684,00 under Refunding Acts.

Hinde & Dauch Expects Control to Ease in 1945

The new year will bring some relaxation in the controls on production and distribution under which the company has been operating and may bring some easing up on the labor supply but prospects for a better raw-material supply are poor, L. F. Winchell, vice-president and general manager recently informed shareholders.

Production for 1944 was down slightly from the previous year. Present demands for the company's products are highly satisfactory and while there are likely to be some cutbacks in this demand in 1945, Mr. Winchell anticipates a good operating year.

Dom. Coal '44 Output About 5% Below 1943

From Our Own Correspondent

MONTREAL—Dominion Coal Co. reports production for the full year 1944 totalled 3,532,821 tons, 5% less than the 3,719,055 tons of 1943.

December output was 258,045 tons against 304,888 tons in December, 1943, or about 15% less.

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Where Can We Sell Our Aircraft?

Chief question for the future of Canada's air industry is the problem of markets. Keith Edgar, Associate Editor of Canadian Aviation, discusses the prospects for Canadian planes.

By KEITH EDGAR

No one will quarrel with the statement that Canada has in five years of war become one of the world's great producers of aircraft.

But on the other hand, no one in the industry would dream of suggesting that Canada can remain so great a producer in postwar years.

Why?

Several factors enter the picture.

Suppose we imagine that today the war has ended, and that the aircraft industry is now ready to go into peacetime production. Naturally, they first turn to the home market.

How many aircraft can they sell at home? The following figures are based on a survey by the industry itself:

200 twin-engined transports or larger (DC4's for example).

100 Norsemen, or similar aircraft.

100 4-passenger executive type (Stinson Reliant, Waco, etc.).

500 private aircraft, such as Taylorcraft, Aeronca, Cub, etc.

This is the maximum number of aircraft that the industry feels can be absorbed in Canada within one year after the war ends. Bearing in mind the fact that replacements would not be over 25% yearly, a sweeping upsurge of domestic consumption can hardly be expected. Today's aircraft do not wear out very fast.

Air Regulations Restrictive

A number of factors enter into this estimate, which was of necessity based on **present** conditions such as, for example, existing regulations.

Air regulations are perhaps the greatest barrier to the advancement of private flying in Canada. The Air Regs do not differentiate between the pilot of a "puddle-jumper" and the pilot of a Trans-Canada airliner. They both abide by the same rules, and the rules are extensive and tough—necessarily so for the transport pilot, ridiculously so for the owner pilot.

For instance, I would like to return to flying when the peace is won, and I avidly study the postwar plans of the small plane manufacturers. But I cool off when I consider the long hours of study necessary to master Air Regs so I can fly across country on business trips.

For example, in Part I, 2-S of Air Regulations it states that an aircraft cannot be privately licensed "for the purpose of any profession, trade, business or industry."

This means that if The Financial Post wishes to purchase an aircraft for one of its journalists (who will, of course, hold a private license) to use in getting stories, the aircraft must be **commercially** licensed. Therefore, this aircraft cannot be flown on any day without the formality of being inspected by a licensed air engineer. Either the pilot must have an air engineer's ticket, or he cannot travel to points at which air engineers are not available.

An aircraft with a private license has no such limitations. But under present regulations, a commercial traveller is barred from using his little "cub" for business unless he has it commercially licensed—with the above mentioned limitations.

Easy to Fly—Tough to Learn

Today's light aircraft are easy to fly, and the average man can learn in a few hours how to handle his craft—but it takes about six months of solid study to master "that book."

Obviously, a sensible approach to the matter by Ottawa, and the setting up of separate, simple practical rules of the air for the small-plane owner will vastly increase public acceptance and probably quadruple sales. Bear in mind that the purchaser of such aircraft will not be the young chap who is burning to fly—he can't afford a plane. The market lies in that great group of middle-aged businessmen who are moderately successful, own a home, one or two cars, and can afford to buy and maintain a light plane.

But this same type of man can **not** afford the time to master the Air Regs as they are today.

Unless Ottawa recognizes this factor and does something about it, prophecies of a postwar boom in private planes may have to be discounted.

This same factor controls to some extent the sales of four- and five-passenger aircraft, many of which would be purchased by firms employing a commercial pilot to ferry their executives on long trips. But this type of plane is also attractive to the man who wants a family-size plane. Here again, sales would be increased by official separation of the rules for private and commercial pilots.

Now, suppose we look at the "Norseman" class: Noorduyn is building the only such aircraft in Canada at present. One hundred aircraft of this type is not very many. But who are to be the purchasers? Existing airlines can not absorb more.

Bush Lines May Help

BUT—IF Ottawa is going to encourage opening up the North, and is going to encourage returning RCAF pilots to start their own routes with one or two aircraft, and IF Ottawa makes it easy to start such a bush route, the figure would increase manyfold. The newly formed Air Transport Board and Mr. Howe will decide this, of course, and while they have made many vague promises, no action is yet in sight.

As for the estimate of 200 large transports, this figure is hardly likely to be changed very much for several years, for we have learned during these war years that our transports are stoutly built and do not wear out if properly maintained. The replacement factor can hardly be considered here, except at a low figure, and the expansion of trunk lines using such craft will not be very fast.

So much for the domestic market.

What about our export market?

First of all, Canada will be in direct competition with the United States and Britain. The United States is going to have a vast surplus of transport aircraft on its hands when the war ends, can readily flood foreign markets—and probably will.

Britain is going to be short of transport aircraft, but her large and virile aircraft industry is going to try very hard to catch up, and, in fact, may surprise us.

Tariffs

So, what is the situation?

Let us look at Preferential Tariffs. The present tariff on aircraft, not including engines, or in other words the amount of protection afforded Canadian-built aircraft is as follows:

Under British Preferential Tariff .... Free
Under Intermediate Tariff 25%
Under General Tariff 27%
Under Canada-U. S. Trade Agreement Act 20%
Under Canada-France Trade Agreement Act, The Intermediate Tariff less 10%.

The benefit of free importation into Canada of aircraft under the British Preferential Tariff is extended by Canada to 77 British countries.

On the other hand, not all of these 77 British countries extend to Canada a reciprocal privilege of free importation. In all, 20 British countries grant Canada free imports of aircraft. Another 11 British countries grant Canada a percentage of preference in tariff rates, while 46 British countries give Canada no preference in tariff on aircraft. Of these 46, five constitute an important portion of the Empire from the standpoint of aircraft absorption, namely, Newfoundland, Irish Free State, Union of South Africa, Southern Rhodesia and British India.

As for foreign tariffs, while the general tariff rate on aircraft imported into Canada is 27½%, the benefit of this rate as a protection to the Canadian industry is reduced to 20% by virtue of the Canada-United States Trade Agreement Act. Under the Most Favored Nations treatment clause, the benefit of the 20% special rate is automatically granted by Canada to all countries on the Most Favored Nations list, which at present includes 24 foreign countries.

France an Exception

None of the countries enjoying this treatment, with one exception, grants Canada any tariff preference on aircraft or aircraft parts. The exception, France, confines preference to certain types of small aircraft engines and fabric covered wings—neither important to Canadian manufacturers.

An example of how Canada stands with regard to tariff preference is Greece—and it is certainly a horrible example. The United States enjoys the minimum tariff, 5% ad valorem plus surtax of 75% of the duty, or a total duty of 8¾% — Canadian aircraft and parts would pay the maximum tariff amounting to 10%, subject to a tenfold increase, plus a surtax of 75% of the duty —a total possible rate of 175%!

The exclusive tariff concessions granted to the United States by the Philippine Islands, Porto Rico, Hawaii and Cuba, are in the nature of our own Empire preferences and a hopeless barrier for Canada.

Speaking of the United States, aircraft imported from that country are charged 20%. But Canadian aircraft must pay a penalty of 30% when exported to the U. S.

Another factor which must be considered is that all the possible big markets for Canadian aircraft — Australia, India, South Africa, etc., have, under pressure of war, built their own aircraft industries, and naturally they are going to fight hard to hold their own domestic markets. Here is probably our biggest stumbling block to foreign trade.

Sweden, Mexico, S. America

Two important potential markets for Canadian aircraft are Sweden and Mexico, and possibly South American countries. Here one factor looms large. While other manufacturing countries are concentrating on building fast, sleek transport craft, Canada, because of her peculiar necessities, builds slower freighters which haul big loads for their horsepower and use small fields.

Mexico and other relatively underdeveloped countries need just such aircraft, and we have the example in the last few years of Mexico scrounging in the used aircraft market for such slow old crates as Ford Trimotors. Obsolete on trunk airlines, they are just what Mexico needs for her small jungle airports and heavy freight hauls, where utility and economy are more important than speed, and ground transportation either nonexistent or of a primitive sort.

A very good market could be developed in these countries for Canadian aircraft, providing we can obtain reasonable tariff treaties.

On the other side of the picture, the aircraft industry in Canada is advocating a tariff penalty on aircraft (not including engines) of a type **or capacity** of which the equivalent is built in Canada. They go farther, and suggest that the government authority controlling civil aviation demand from the purchaser proof that he needs such an aircraft, and that the authority should give notice to the manufacturers of such aircraft in Canada, and "reasonable opportunity to be heard thereon."

In other words, if this proposal were adopted, suppose an operator obtains a franchise for a bush line, but wants to use an American aircraft of a capacity similar to a type produced in Canada. It may be twin-engined, faster, carry a heavier load, operate more economically, cost much less, have more safety features, but the prospective purchaser must convince a government authority that he should have that aircraft, and let the Canadian manufacturer be heard on the subject also.

It seems that the industry, in this particular proposal, at the expense of the transport operators, is anxious to hide behind a high tariff wall, except in the case of parts and engines which are not manufactured in Canada.

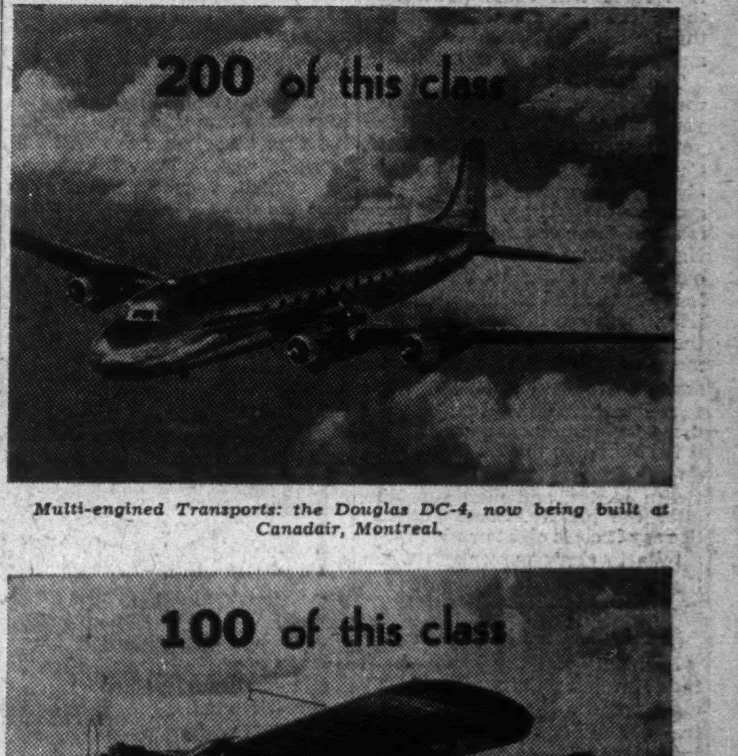
Canadians Can Compete

And yet, Mr. Howe has stated that our aircraft manufacturers can compete, so far as costs go, with any American firm in existence.

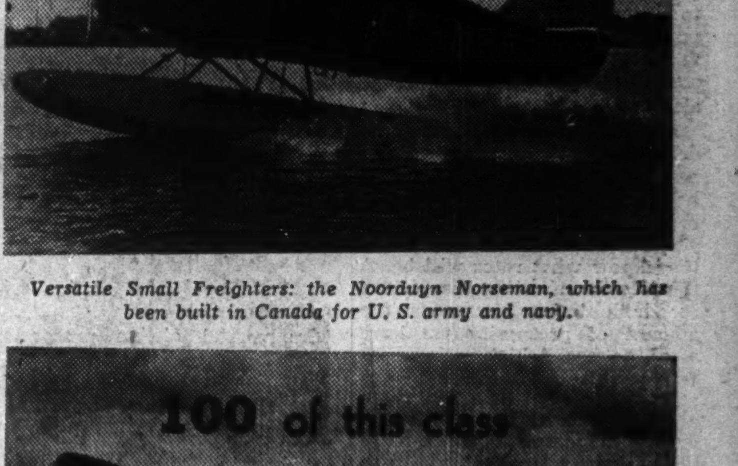
The counter proposal is to drop tariff walls altogether, thus opening wider markets for our aircraft in America itself. The types of aircraft we manufacture do a definite type of job better than aircraft made in any other country. Even if Britain and the U. S. wage the major fight over the markets for big transports, there remains room for Canada to concentrate on building bush-type freighters and sell them to operators who want to go where the big planes are uneconomical to fly. Requests for information about the Norseman, for instance, have come from American operators or prospective operators, indicating a definite need for this type of aircraft exists below the border.

I specify the Norseman, of course, because at the moment it is the only aircraft of such type being built. But our other manufacturers are not idle. They have freighters on their drawing boards, and will have them into production for the postwar markets.

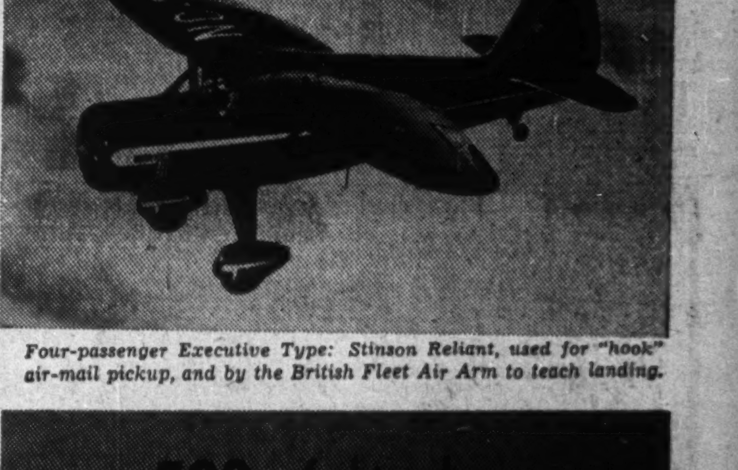
Today's First Estimate Of Tomorrow's Market



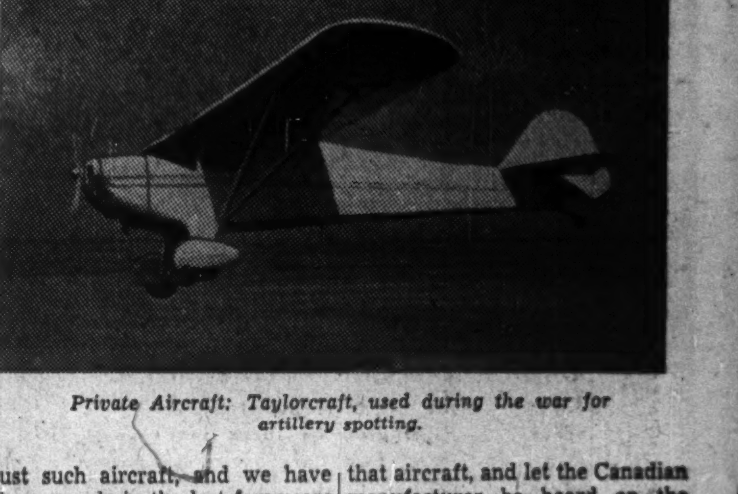
Multi-engined Transports: the Douglas DC-4, now being built at Canadair, Montreal.



Versatile Small Freighters: the Noorduyn Norseman, which has been built in Canada for U. S. army and navy.



Four-passenger Executive Type: Stinson Reliant, used for "hook" air-mail pickup, and by the British Fleet Air Arm to teach landing.



Private Aircraft: Taylorcraft, used during the war for artillery spotting.

Where Can We Fly Our Planes?

This month, Canada and the United States started talking about their future and the air. Behind them lies the tempestuous Chicago Air Conference, which produced much talk, some friction, and five documents, threw nations back on "bilateral discussion" of commercial routes. Here K. R. Wilson, who saw it happen, tells where Chicago left Canada in her quest for harmony in the air.

By KENNETH R. WILSON

In the near future, Canada's role in world airways of tomorrow will start to unfold.

This country staked an initial "claim" in October, 1943, at the British Commonwealth meeting in London. At that meeting, plans were laid, informally, for an approach to international postwar control of airways and for patterning the individual routes between various Commonwealth nations.

Since then, there have been formal conferences at Montreal and Chicago, and informal discussions with London, Washington, Canberra, Auckland, Newfoundland and other centres.

The formal talks between Canada and the United States which started in New York this week, will climax this sixteen months of preparation. Out of these talks (if they are successful) should emerge a specific Canada-U. S. commercial air agreement and, quite probably, a blueprint for Canadian participation in world-wide civil air transport.

Though it fell far short of hoped-for objectives, the month-long international air conference at Chicago was unquestionably the most important event in recent airways history. It showed what progress had been made in international thinking since the muddled pre-war arrangements of earlier airways meetings in Paris and Havana. It showed clearly the gaps still to be filled. It set wheels in motion toward some form of international clearing house and organization in the field of air transport. It cleared the way for direct bilateral negotiation on specific routes between individual nations.

Although there were 54 nations represented at Chicago, not more than five or six of them had any very clear idea what they wanted there. At the request of the United States, many countries tabled lists of the international air transport routes they wanted to operate after the war. But they kept mum when asked what they wanted to do about the "rules of the air" and the commercial regulation of air transport routes

There were at least five important exceptions to this rule. Canada, United States, Britain, New Zealand and Australia came to Chicago with pretty definite ideas as to the framework around which they wanted to build and operate world airway transport systems after the war.

Australia and New Zealand, for example, thought that when the time came to resume civil flying on an international scale, it should be done through a world-owned and world-operated organization rather than by national or privately-owned systems. They argued that this was the only sure way to avoid repetition of the sort of national friction which had led to the outbreak of World Wars I and II.

Britain did not approve of international ownership and operation of world airways. It wanted each nation left free to operate its own international services. But it said this: "Let's agree that there will be no let or hindrance among nations as to the right to land, pick up or discharge passengers or cargo, **provided** there is a strong international authority clothed with power to fix rates, allocate routes and frequencies."

The Americans took a different view.

They charged that the British wanted to "cartelize" international air transport. They said that in their view the U.K. plan would "freeze" the pattern of world flying even before that pattern had really started to emerge.

To ensure the widest possible competition and expansion of world services and routes, the Americans said that the proposed international organization should have no authority over the rates which should be charged, or over the allocation of routes and frequencies. They wanted all nations to concede world-wide freedom of "transit" but beyond that they thought that all matters affecting commercial flying (pick up and discharge of passengers, allocations of routes and frequencies, fixing of rates, etc.) should be left for direct negotiation between individual states. (Freedom of "transit" means two things: (1) that the air over every country be kept free for non-stop passage; (2) that commercial planes should be free to land anywhere for emergency stops such as refuelling or repair.)

The Canadian position at Chicago was midway between that of Britain and the United States. Earlier in 1944, Canada had taken about as rigid a view on postwar airways control as Britain. But in

(Continued on page 23)

A New MacLean Postwar Research Project—Here's What Our Motorists Are Looking For

Only recently have the automobile manufacturers broken the silence imposed by their long years of intensive war work to tell some of their ideas of postwar models. Ford has suggested a cheaper car; other companies have offered specific improvements. It is still not time for reconversion and the auto makers know it, but they know that great things are expected of them, that consumers have concrete ideas about what they want, may not have very clear ideas about what the industry can give them.

Believing that both the consumer and the industry would be better off if the air on this subject were cleared, The MacLean Publishing Co. asked an independent national research organization to find out what Canadians were thinking about the postwar car. Here The Financial Post presents an account of some of its most important findings about what the consumer expects.

First, 44% of all Canadians are expecting radical improvements in postwar motor cars. Of these, only 24% think the improvements will show up in the first new cars, the other 20% that the improvements will not come until later.

What Sort of Improvement?

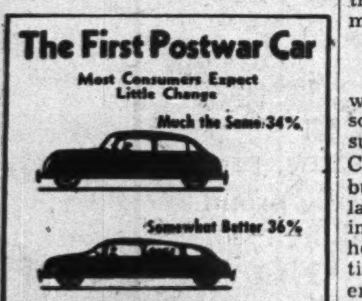
Most significant for the postwar picture is the story of what sort of improvement these consumers expect. Of the 40% of all Canadians who plan definitely to buy a car after the war, 34%—the largest single group—want their improvements to come under the hood; a sharp contrast with the time-worn view that cigar lighters, not engines, are what the consumer wants.

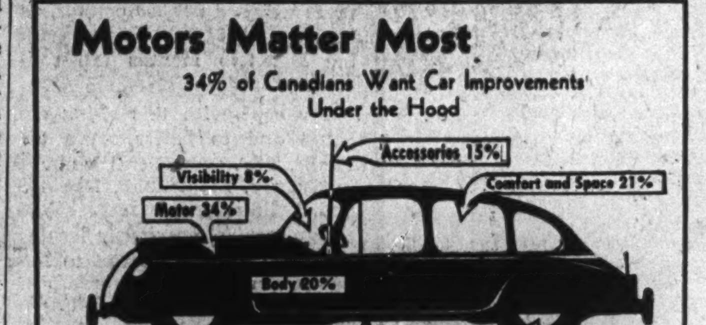
Fluid drive, automatic gear shift, automatic clutch, "improved" gear shift, "change" in gear shift are asked for by more than 10%. Others want an improved carburetor, more miles to the gallon, a better engine, a more powerful engine, quicker pick-up, improved ignition, improved differential. Only 2% want such a radical change as the motor at the rear. Canada's special driving problem is reflected in the answers of those who specify "easier winter starting."

Plenty of people of course want "smart appearance," but there is not much agreement about body changes. Almost as many want not too heavy a body, or "a plastic body" as ask for a stronger body of heavier steel. But throughout, strength seems one of the major requirements; stronger, rustproof fenders are specified.

Into the list of improvements for new cars come two of the features Canadians have been asking for in everything from housing to clothing: comfort and space. A smooth, comfortable ride in an air-conditioned car with a roomy body, a wider seat which would be convertible to a bed for travelling, good shock absorbers and with a knee action wheel and a roomy luggage compartment; this is the ideal of those who request changes of this type.

Canadian drivers also want to see better while they are driving. They ask for more vision, larger windshields, shorter or lower hoods, non-glare headlights, better focused headlights, better rear vision, better "reverse" lighting, higher seats for visibility and seats of adjustable height.





Winter Driving

Winter driving preoccupation shows up again in the comments on accessories. Nearly a third of those who want improved accessories want heaters, or better heating devices; others want defrosters. Another large group asks for a radio.

Eighth on the list of improvements in general are brakes. Better brakes are musts for 4.4% of the potential car owners. Another smaller group want safety tires, still others want longer wheel base and a sturdy undercarriage.

Besides all those who have special requests to make, there is a large group—33%—who, although they want improvements, and marked improvements, can't become specific about the type of changes they desire. There are others who simply ask for reliable economical operation, good quality, general improvements, improved driving ease, improved safety devices and a cheaper or smaller car—without going further.

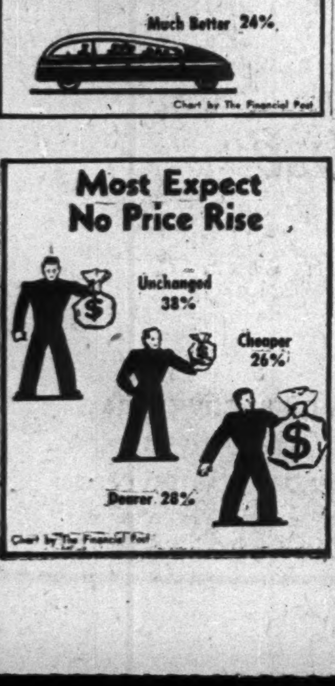
Personal driving problems of course dictated the answer to most of the questions, but there are some interesting differences between the requirements of men and women drivers. More important to men than to women are such things as body construction features, air conditioning, better engine, reliable economical operation, better tires and brakes. Women want such things as better upholstery, roomy seats, radios, greater driving ease.

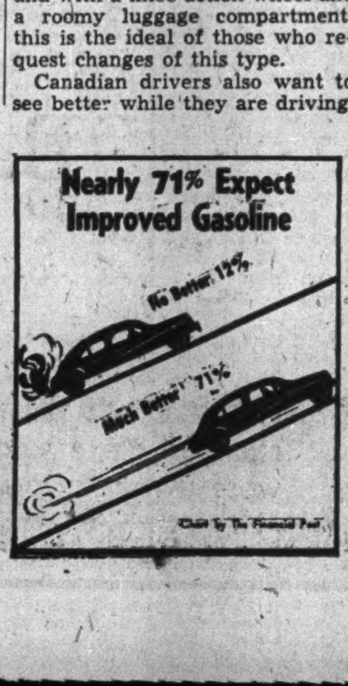
It is chiefly rural residents who stress stronger bodies, roomy luggage compartments, heaters, radios, defrosters and other accessories, automatic gear shifting.

The samples taken for the survey were carefully selected to provide a cross-section of Canadian opinion that corresponds closely with the census breakdown of rural-urban groups, provincial distribution, sex, race, and income distribution. All the interviews were personal, based on a standard questionnaire.

Most Canadians don't expect the improvements in cars to come all at once. Only 24% expect great improvements in the first postwar cars, another 20% expect them

(Continued on page 18)





Air Line Fares to Drop To Half Present Level

The most important facts about the future of air line travel are that rates will come down and that more people will fly. That is the combined opinion of airline authorities here and abroad.

The maps on this page give a rough idea of how much farther your air travel dollar will take you after the war. Right now, Canadian air line fares average about six cents a mile; the goal for the airline of the future is about three cents a mile. In the United States, fares now work out at about five to five and a half cents a mile. In both countries, fares are in general less on the heavily travelled routes, more on the journeys with long stretches of wide open space between stops. How close any of these fares are to governing costs it is impossible to say: all airlines do some averaging of fares as between routes, and mail subsidies alter the picture. Some authorities say it costs eight or nine cents a mile to carry passengers when Canada's less travelled routes are included in the average.

How Much Air Travel?

Probably the most important factor in determining postwar air rates will be the amounts of air travel and its regularity. "High load factors" . . . assurance that most of the seats will be filled, on an average trip . . . will do most to bring down the average cost per passenger mile. A few runs with, say six travellers in a 16-passenger Lockheed run up a steep overhead.

Airlines say it is too soon to be definite about postwar air rates, because it is impossble to say how heavy loads will be. Potential passengers say they can't tell whether they'll travel by air until they know what rates will be. A third factor affecting the picture for both these groups is the amount of prosperity we have after the war. A high national income will be one of the best guarantees of increased airline travel: a rapid pace of business makes time all-important, cost less so, to the businessman.

But in spite of all this hedging, some U. S. airlines have recently been asking their Civil Aeronautics Board for new routes, and have presented briefs in which they make some guesses about postwar rates. Coming closer, American Airlines only this month announced an immediate general reduction of 6½% in all its fares, both domestic and international, because heavy loads and improved methods had reduced costs, even in wartime.

In general, U. S. airlines say domestic fares must come down below five cents a mile, eventually get to three. It's a fairly safe bet that Canadian fares will follow U. S. fares downward, though one Canadian authority points out that the movement may be slower.

New Equipment Cuts Costs

Besides the amount of travel, two major influences operate on airline costs. One is the introduction of new, cost-saving equipment. Here it is a mistake to assume that much surplus wartime aircraft can be used by airlines to reduce costs: they were built for speed and power, not for economy. But wartime experience may help; airlines have learned a lot about getting the most out of the equipment they have.

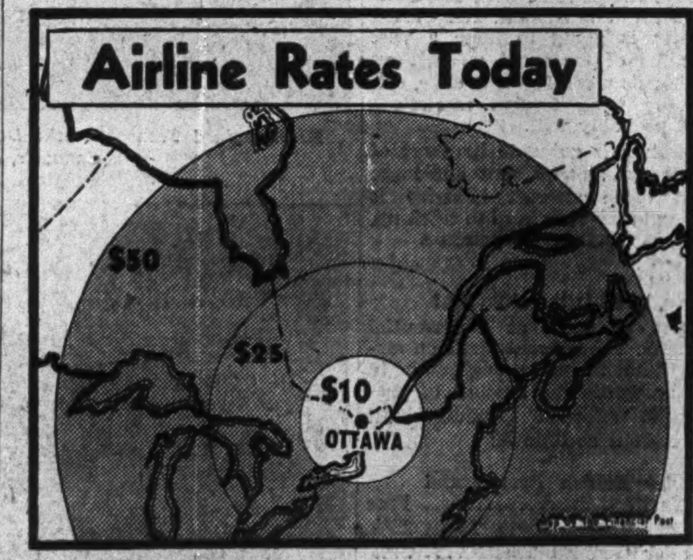
The other influence is the tying-in of weak-traffic lines with strong-traffic lines, so that costs can be averaged over the whole airline system. This is what happened with the railways, here and abroad. Widely varying fares gave way to uniform rates, all lower, and to better organized travel generally.

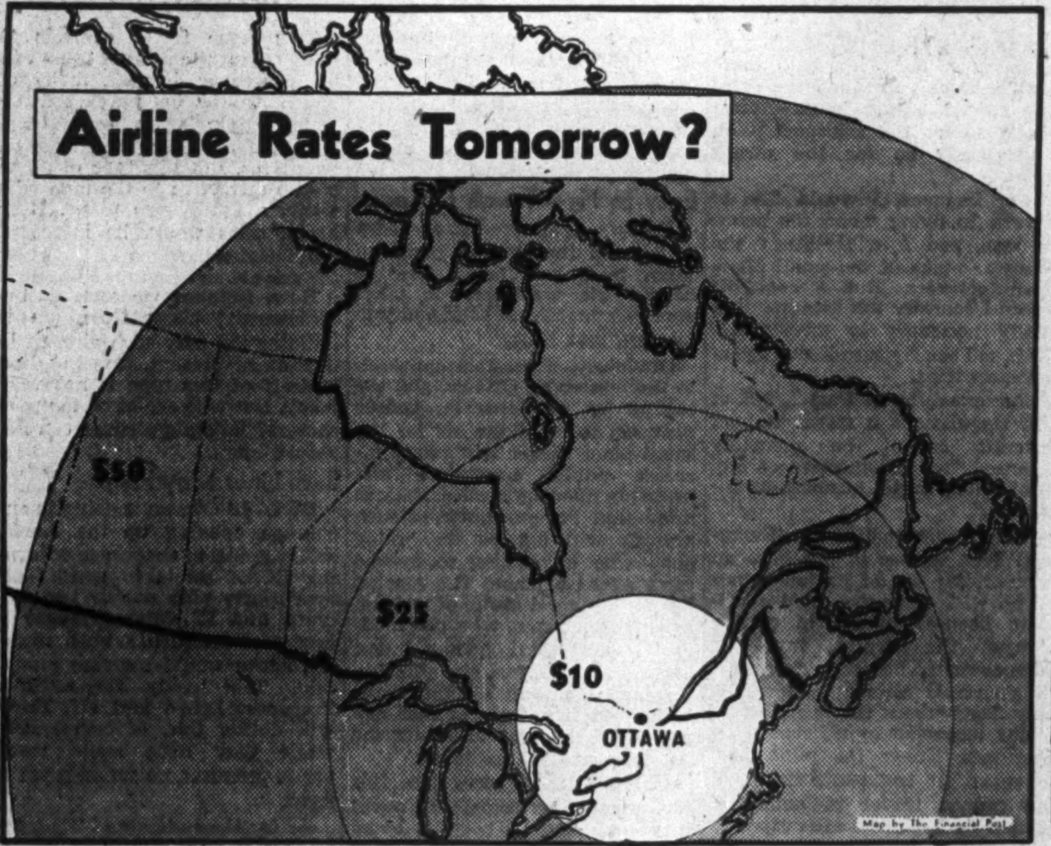
This raises an important problem for Canada. Present policy is to consolidate into the hands of TCA the major traffic channels of the country. To the returning serviceman, to the small company, is to be left the "feeder" line. It is true that these lines may be operated with less costly equipment, with smaller organization; but on a cost-per-passenger-mile basis they are almost sure to be bedevilled by the high cost of empty seats. Travel into the mines, for example, varies with the season. Resort and tourist travel will be concentrated in the summer or at Christmas holiday time.

In the United States, the tendency has been the other way. There, of course, there are more potential routes to be established. But though few airlines can avoid picking up some fluctuating lines which don't pay directly, these are well sandwiched in between lucrative routes.

Canada's special rate problem is a result of the same factors that gave her a special rail problem only a constitutional crisis solved: her breadth, shallowness and sparsely scattered population. North-South travel is bound to be scanty unless drastic changes occur.

Subsidies are still another problem for the airlines of the future. There is every evidence that governments are sold on airlines, just the way they were sold on ocean traffic. They are just as likely to subsidize air travel as they were to subsidize the building of ocean greyhounds before the last war. Canada was well out of the ocean rates: but she will probably be a star performer in the race for airline prestige.





Symington Discusses Future of Air Line; Sees Major Expansion for Trans-Canada

Commercial airline prospects for 1945 are conditional upon the over-all war picture says a statement issued recently by H. J. Symington, C.M.G., K.C., president of Trans-Canada Air Lines.

"The war has now advanced to a point," continues the statement, "where concrete planning and agreement on the future of postwar commercial aviation can be undertaken realistically. Indeed such activity is a present necessity because the economic foundations of a peaceful world will undoubtedly find much of their strength or their weakness in the use to which mankind puts its skies, while international goodwill and the avoidance of future armed conflicts will likewise be dependent upon sane organization of the air. . . .

Canada's Leading Role

"Both at the Commonwealth gathering and at the Chicago Conference Canada played a leading role out of proportion to its population but commensurate with its aviation experience and potentialities. Few nations are more aware of the transportation realities of tomorrow and none have devoted more thought and energy in its preparation. . . .

"The total of TCA personnel increased 15% during the year. Many of the newcomers were repatriated and discharged members of the armed forces and this trend is expected to become more pronounced. In particular, the company relied exclusively on repatriated RCAF personnel in selecting candidates for its flight crew training classes.

"TCA has very concrete ideas for peacetime international operations. Planned expansions and developments will be implemented as soon as conditions warrant. At home, a direct Winnipeg-Edmonton service will be begun immediately upon the completion of the required airport and navigational facilities along that route; other additional schedules are contemplated."

Domestic Routes 5,296 Miles

"Domestic routes of TCA now total 5,296 miles, including an east-west service from St. John's, Newfoundland, to Victoria, B.C., and north-south branches reaching into New York, London, Windsor, Calgary and Edmonton. During 1944, TCA aircraft flew 9,144,000 revenue miles (last two months estimated), an increase of 889,181 over 1943.

"Traffic continued to mount as it has during each of TCA's seven years of life—although not to the same extent as in the past due to near capacity utilization of available aircraft. Passengers numbered 157,800, an increase of 17,524. Mail weighed 3,818,700 pounds, an increase of 92,093. Express weighed 903,300 pounds, an increase of 81,694. (Figures for the last two months are estimated).

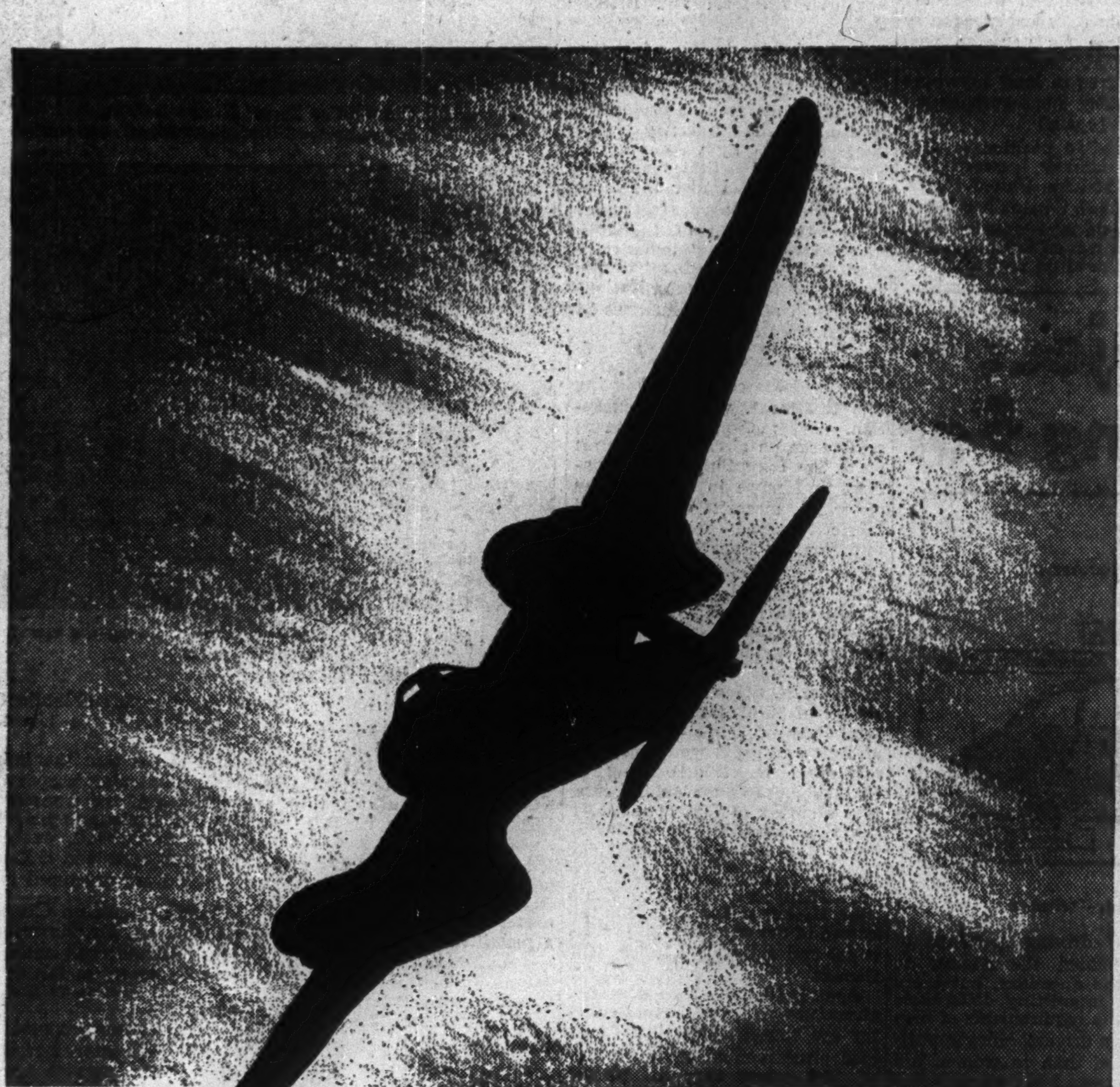
"To cope with this rising demand and to better serve the public, TCA opened traffic offices in Sydney, Saint John, Moncton and Lethbridge. A reservations control centre, previously located at Winnipeg, was moved to Edmonton in the western area, and Maritimes reservation facilities at Halifax were enlarged and modernized. The first frequency-modulated radio-telephone circuit to be installed in Canada for commercial airline purposes commenced operation between Vancouver and Victoria in June.

Propeller Output Now Over 10,000

Canada's 10,000th propeller, produced by Canadian Propellers Ltd., Montreal, recently, drew praise and reminiscence from Hon. C. D. Howe, Minister of Munitions and Supplies who celebrated the occasion with 500 employees and officials of the company.

In 1940, when it appeared that Canada might not be able to obtain airplane propellers from either the United States or the United Kingdom, it was decided the Dominion would have to do the job itself. As a consequence, negotiations were begun with United Aircraft Corp. (Connecticut), and the Canadian firm was formed to carry out the provisions of a contract with the Crown, dated April 1, 1941. The contract provided that the Crown would construct and equip a factory which could produce 200 propellers a month. The company agreed to administer the enterprise at the expense of the Crown.

Mr. Howe said he believed production would now fall off since there were enough training planes on hand and propellers would be manufactured only for combat aircraft.



FROM THE PEACETIME MANUFACTURE OF

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Louvicourt Goldfield Corp. advises the Toronto Stock Exchange that Jan. 3, 1945, instalment, comprising option on 200,000 shares, under May 20, 1944, agreement with Federal Trading & Agency Co., has been exercised. Balance of agreement comprises option on 1,199,995 shares with next instalment due May 31.

One of a series of messages to the business, financial and industrial leaders of Canada

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Pre-war Growth Trend, and Experience in War Brightens Future of Canadian Aircraft Plants

This is not a trick shot of the old and the new in transportation, but a normal scene at Noorduyn Aviation, Cartierville, Quebec. Difficulty of patrolling the large field, especially in winter, led the security department to give mounts to the guards, thus multiplying their range of vision by 25. The horses have been trained to disregard engine roar, moving planes, crowds at the plant; are believed to be the first used anywhere to guard an aircraft company's planes.

War demand for planes has accounted for the sensational expansion in aircraft production, and it is clear that a serious readjustment problem lies ahead, and that considerable deflation of present activity must develop.

While governmental policies such as are now being sought, including possible aid in development of export markets, continued government purchases of aircraft for defense, etc., are important if the aircraft industry is to be maintained at anywhere near its war peak, it is a mistake to assume that without special aids the Canadian aircraft industry will be finished, with the end of the war.

Aircraft must be classed as a "growth" industry—and, with the possible exception of chemicals, outstanding in this classification. Even before the war, the trend in aircraft production was steadily upward. The industry was relatively in its infancy, but gaining new strength each year. What happened, as result of the war, was that 25 years progress was accomplished, because of emergency needs, in the short space of five years.

Heavy Capital Investment

To make possible the development of tremendous aircraft productive facilities in Canada, much preliminary work has been necessary, and there has been a heavy investment in the production and placement of special tools.

Airplane production has been one of the major parts of Canada's war production program. It is estimated that as much as 25% of Canada's war expenditures has been going to aircraft production.

The necessity for concentrated attention to aircraft development has brought important achievements from scientific and technical research. The planes of today are far advanced from those made in 1939.

It might be logical to assume that even if the industry dropped beck sharply from its present abnormal peak, it could expect to stop its decline at about where the trend line normally would have moved up in five years.

There are certain natural advantages to help Canada's aircraft industry in the future. During the war Canada has moved abnormally high as a manufacturing country—in manufacture generally—and the sharpest postwar recession is likely to be in manufacturing, or processing, industries. During the war, the service businesses, and industries utilizing natural resources, have been relatively neglected. The shift in employment is likely to be from manufacturing back to the services, and to industries based on Canada's natural resources—metal mining, oil, etc.

To Open Up New Areas

Canada is fortunate in that she has tremendous areas of territory never thoroughly explored. To open up potential wealth in such areas the airplane is essential. Before the war, Canada stood first in amount of freight carried by plane. This was largely in connection with transport to northern regions not accessible by rail or ocean shipping. Even greater need for planes for such work would appear indicated for the future.

While it is true that the end of the war will mean that thousands of military planes will be available, it is perhaps not generally realized that these military planes are of dubious value for civilian and non-war purposes. Military planes are made for the specific purpose of war, and everything is subordinated to speed, maneouverability and such factors. Military planes, however, are costly to run, consume gasoline and oil heavily, and are not adaptable in other ways to commercial use. If Canada is to compete in commercial transport, if she is to have planes that cost little to operate, for other purposes, new planes must be built for such specific purposes.

Government Buying Important

Important factors for the post-war future of the Canadian aircraft industry include governmental policies regarding tariff aid, help in development of export markets and possible defense program. If Canada is to maintain a substantial air force as the best guarantee for post-war security, new planes will be in steady demand—as progress in improvement of military planes has been rapid, and probably will continue so.

Present uncertainty as to what governmental policies may develop makes extremely difficult forecasts as to the future of the aircraft industry; but the airplane has now reached the point where it can be assured of increasing use for transport, and it is an industry that can be counted on to "grow."

From a negligible beginning, this industry in the last few years has jumped to the top as one of the biggest industries in the Dominion.

Before the war, only 1,000 workers were engaged in aircraft production. In March of this year, when production was around the peak. Munitions Minister Howe announced that employment in aircraft manufacture, including overhaul plants primary contractors and subcontractors, totalled 122,000 persons, of whom 39,000 were women. Since then, there has been some decline in production of aircraft, and in employment in the industry, but present employment is still around 100 times what it was before the war.

455 Planes a Month

Considering the development from another angle—monthly output of planes in Canada during the three-year period from April 1, 1936, to April 1, 1939, averaged three a month; in January, 1944, when output was at its wartime peak, production for that month was 455 planes.

During the three-year pre-war period mentioned above, only 110 planes were completed and delivered, to meet actual orders for 219. Number of planes that have been produced during the war, up to end of 1944, now aggregate 14,717.

Number and weight, ex-engines, of aircraft produced in Canada each year since the beginning of the war follow:

Year	Aircraft	Poundage
1940	846	1,628,118
1941	1,897	6,358,442
1942	3,811	17,578,309
1943	4,133	20,088,884
1944	*4,312	*21,430,000

*Original estimate, since revised downward slightly.

Huge Plant Investment

The gain, moreover, was even more impressive than above figures would appear to indicate. Before the war, and to a considerable extent in the early part of the war, most of production was of trainers rather than service craft. Recent production has included big bombers, requiring much more work than the small training craft. At present, work is being concentrated on service craft and overhaul work rather than on trainers. A service type plane may involve 50 times the man-hours employed on the production of a primary trainer.

Aircraft's lessons have been learned in a hard school, under the rigorous taskmaster of war. It will not be slow to turn these lessons to account in times of peace.

Mining Concentrates

Central Patricia Gold Mines reports estimated net profit of $245,575, or 9.8 cents a share in the nine months ended Sept. 30, 1944, compared with $410,473, or 16.4 cents a share in the comparable period of 1943. Gross production totalled $856,532 from 69,968 tons milled, an average recovery of $12.24 in the first nine months of 1944, compared with $1,193,994 from 83,647 tons milled, an average of $14.27 in the similar period of 1943. Bullion production in the three months ended Dec. 31, 1944, was $283,027 from 21,564 tons treated, an average of $13.12, compared with $281,491 from 23,018 tons milled, an average recovery of $12.23 in the three months ended Sept. 30, 1944.

* * *

Falconbridge Nickel Mines advises that its office has been moved from 25 King St. W., to 304 Bay St.

* * *

Harpers Malartic Gold Mines advises that a development campaign is planned for its property in the Yellowknife, as well as a geophysical survey of its Malartic holdings. The company is also said to be completing arrangements for a substantial holding in a Night Hawk Lake Property, Porcupine district.

* * *

Kirkland Lake Gold Mining Co. reports bullion production of $270,500 from 19,775 tons milled, an average recovery of $13.67 gold per ton in the three months ended Dec. 30, 1944, compared with $272,447 from 19,198 tons treated, an average of $14.19 in the quarter ended Sept. 30, 1944, and $245,030 from 19,020 tons milled, an average of $12.88 in the three months ended June 30, 1944.

* * *

Lobanor Gold Mines advises diamond drill hole No. 2 has been completed at a depth of 717 ft. on its Shebandowan property. Assays from No. 1 hole are being checked and while results have not been submitted from No. 2 hole the company reports that assays were encouraging. A deep hole is being put down to check results obtained in the first two holes.

* * *

Mica Co. of Canada, controlled by Vincent, Mining Corp., reports its manufacturing plant at Hull, Que. is operating at capacity. Outlets have been widened to allow nation-wide distribution of its product. Mica Co. is the Canadian distributor for Schenectady heat re-active insulating resins, Jelliff allow electric resistance wire and Varflex insulating tubing used in both war and civilian industry.

* * *

Rouyn Merger Gold Mines has advised the Toronto Stock Exchange that on Dec. 28, 1944, 25% of the shares held in pool, or 426,000 shares, were released pro rata to respective shareholders as provided under terms of the Mar. 10, 1944, agreement made between East Rouyn (Quebec) Ltd., and O'Neill-Thompson Gold Mines, et al. Balance of pooled stock comprises 1,278,000 shares.

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What the Motorist Wants

(Continued from page 15)

eventually. In the first postwar car, most consumers expect little change; 34% expect it to be much the same, 36% expect it to be somewhat better, only 24% expect it to be much better. Car owners do not expect as much improvement or as quickly as non-owners. Men don't expect much improvement or expect it as quickly as women; people in higher income groups expect less than those in lower income groups; and English Canadians, in general, expect less than French Canadians.

Of vital interest is the question of the cost of the postwar car. Only 28% expect the improved car to cost more than cars do now; 38% expect the price to be about what it is now, while 26% expect it to be cheaper. Those who are most familiar with cars are least optimistic about car prices; car owners, men, higher income earners, were chief among the 28% that expected cars to be dearer.

As to tires, about 85% of car owners questioned have definite opinions about their postwar development. Over 50% think they will be much improved, about one third think they won't be. Opinions were fairly consistent in all the groups. Questioned about the type of improvement desired in the postwar tire, the car owner said, first, longer wear, more mileage. But 94% had definite ideas as to how soon they will want to buy new tires for their present car. Moving on to the realm of wishful thinking, 45% want to buy new tires within six months, another 23% within six months to a year, and another 14% within one to two years.

There is evidence of some public prejudice against synthetic rubber. About 76% of those who were questioned said they would prefer tires made entirely of tropical rubber, and the preference was common to all groups. In view of the small number of drivers eligible for synthetic tires, it seems likely that this is based on hearsay and could be overcome by the demonstration of quality and safety features of tires made of synthetic rubber.

Wartime improvements in gasoline for military use are expected by 71% of the civilian population to lead to improvement in civilian gasoline. This feeling doesn't vary noticeably as between men and women, but is distinctly stronger among the upper income group than among the lower income group. Chiefly, present car owners want more mileage per gallon. The second and third choices, higher test and better quality, could also be interpreted as wishes either for greater mileage or for more power and efficiency.

Here, then, is the pattern of postwar consumer demand for automobiles. The cross-section, being a careful proportion, is a true one.

Individual tastes may change—or the automotive industry may satisfy the underlying demand for safer, cheaper, more attractive cars, in ways the car driving public hasn't the technical knowledge to anticipate. Consumers may abandon some of those preferences which seem based on somewhat unrealistic notions of postwar possibilities: for example, the all-plastic body, which the plastics industry itself is the first to de-bunk.

But in the main, these consumer preferences are reasonable, concrete, basic, provide for the automotive industry a useful signpost on the road to reconversion.

Company Reports

London Life

Business in Force $1,034 Millions
New Insurance $117 Millions
Total Assets Rise $18 Millions

London Life Insurance on Dec. 31 had $1,034 millions business in force compared with $954 millions the year before, according to the annual report for 1944. The increase is about 50% in the last four years. Total insurance in force represents 840,900 individual policies.

Total assets also set a new high mark at over $204 millions, a gain of about $18 millions for the year. Death claims attributable to war in 1944 amounted to over $1.5 millions, twice as much as in the previous year, bringing the total war claims to over $3.4 millions. During the year the company subscribed over $30 millions to Victory loans, a sum more than 50% greater than the increase in assets.

It was announced at the annual meeting that the monthly income benefit for total disability on new policies was being increased from $5 a month to $10 a month, per $1,000 on life plans.

Total receipts during the year were over $39 millions, up more than $3 millions. Of the total, $26 millions was from premiums. Policy payments during the year were $14 millions.

Policy reserves at $151 millions wer almost $13 millions higher than at the end of 1943, and free surplus at $15.5 millions was up almost $1.3 millions.

Important figures from the statement follow.

	1944 $	1943 $
Business in force.	1,034,368,049	954,473,612
Business issued ..	116,763,039	125,845,052
Total receipts ...	39,068,505	35,848,613
Net prem. inc..	26,014,380	24,300,978
Int. divids.	7,838,836	7,159,557
Policy pay't's	14,212,487	12,130,533
Assets	204,262,730	186,197,158
Bonds & debs. ...	146,410,137	124,903,367
Stocks	1,208,159	1,202,159
Mortgages	35,732,180	38,420,630
Pol. loans	13,204,713	13,944,879
Pol. reserves	151,090,933	138,271,653
Free surplus	15,518,421	14,248,630

Manufacturers Life

New Business Sets New Record
Insurance in Force $790 Millions
Assets Rise $23½ Millions

New business issued by the Manufacturers Life Insurance Co. in 1944 and business in force are shown at new high levels in the company's report for the year ended Dec. 31.

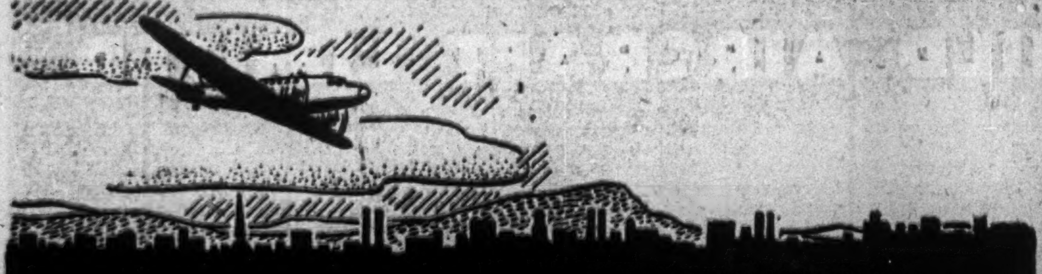
Of the total business in force $347 millions is in Canada, J. H. Lithgow vice-president and general manager stated at the annual meeting. Business in the United States was $175 millions and is now more than twice as large as it was 10 years ago. Insurance in force in other countries totalled $179 millions.

Payments to policyholders at $14.8 millions were about $1.5 millions higher than in the previous year.

Of the company's total assets, bonds and stocks amount to approximately 80%. As in previous years, available funds have been largely subscribed to government war financing in Canada and other United Nations. New urban mortgages effected during the year were higher than in 1943 but not sufficient to offset repayments of principal. Collections on all urban mortgages are stated to be satisfactory. On farm accounts collections were materially higher than in 1943 and a considerable amount of principal was repaid. Important items in the report follow.

	1944 $	1943 $
Business in force ..	790,161,509	672,117,890
New business	94,523,743	82,786,687
Total receipts	48,834,776	42,669,420
Prems.	30,089,378	26,746,274
Int. & divids. ..	10,442,253	9,444,815
Policy payments .	14,889,029	13,442,479
Assets	264,909,571	241,424,890
Bonds	202,293,283	177,075,668
Stocks	14,100,352	12,385,126
Mortgages	18,360,458	19,900,180
Pol. loans	15,119,517	16,626,253
Pol. reserves	216,075,073	197,929,908
Int. earned gross ..	4.38%	4.28%

Roche Long Lac Gold Mines advises that during the year ended Nov. 30, 1944, work was confined to carrying out necessary assessment work on its holdings and prospecting in other areas. A dip needle survey has since been started on the Little Long Lac property to outline folds in the iron formation in preparation for a drilling campaign. Income for the year amounted to $3,180 as against expenditures of $6,316, with the net expenditure of $3,136 charged to development and expense account.



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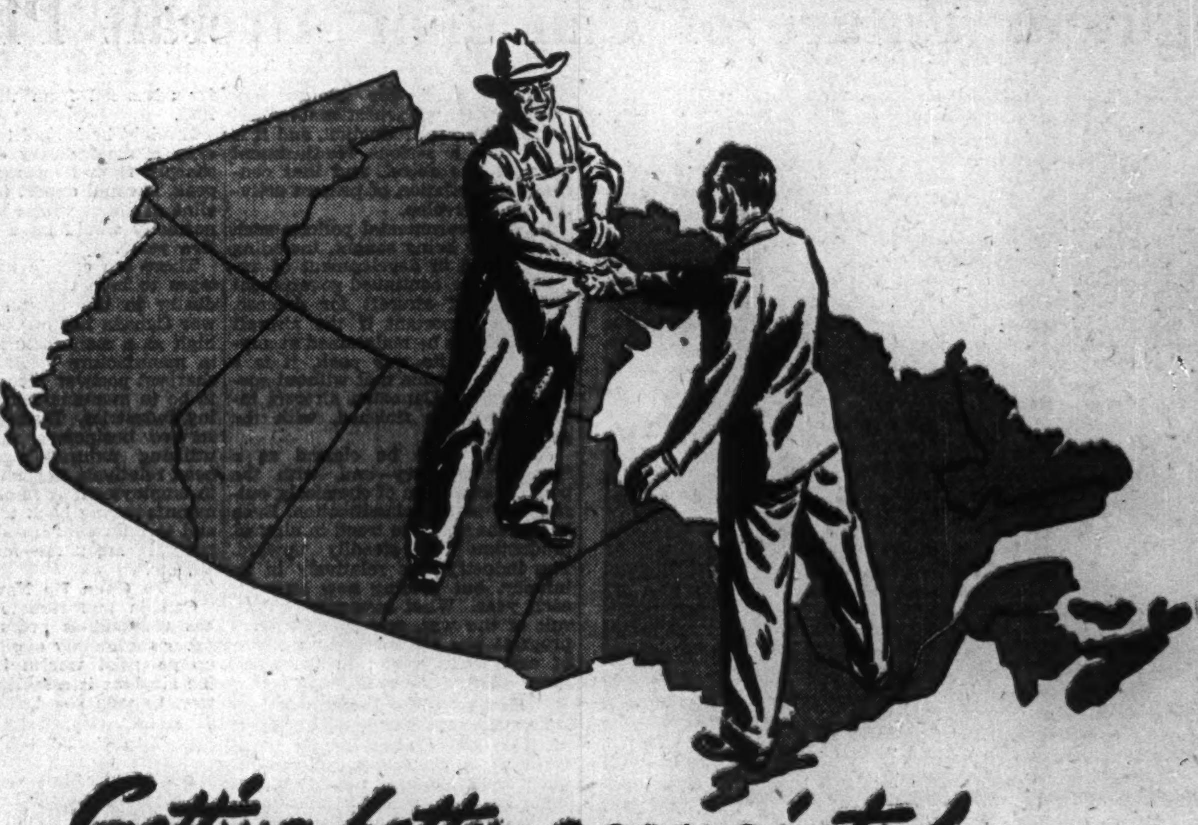


Getting better acquainted

WITH THE PROVINCE NEXT DOOR

Canada has grown great through the courage, industry and intelligence of many men working together. The progress of every community has depended on the friendly interchange of products, resources and ideas.

In the Age of Air Development ahead, the Provinces will be much closer neighbours. Men from the East will be nearer men of the West. Canada will grow smaller in size but even greater in understanding, cooperation and development.

We of the British American Oil Company, like other far-seeing Canadians, are planning for the coming Air Age. Our extensive research, and invaluable experience gained in producing aviation fuels and lubricants in the most modern refinery in Canada, will be available to further our country's future in the air.

In the Air, on Water and on Land
It's B-A all the way

B-A

THE BRITISH AMERICAN OIL COMPANY LIMITED

"You can get a lot of Joes to fly—"

"They ain't the first crew that flew her, and probably won't be the last. But you won't get another ship like that! I've seen her on fire, and full of holes, and come in when nothing but God was holdin' her together. If those guys inside will just stay alive, she'll always come in . . ."—M/Sgt, not named, Ninth Air Force.

THE bomber, big or little, is a complex monster, a maze of things that can go wrong. That the USAAF is mounting formations of hundreds of bombers, for strategic targets and tactical support of the ground troops day after day since June 6th, is one of the unrecognized wonders of this year of wonder. And the only explanation is the ground crews.

Little glory, lots of hard work, long hours of anxious waiting are the lot of ground crews. Bombers may get back with sides sieved from bullets or flak; oil, gas, or hydraulic lines broken; controls, landing gear, flaps impaired; radio out and engines roughed up. And the number of ships ready for service again within twelve hours often surpasses understanding. Because these men give not only their best effort but their full devotion, make the plane their child and creature. And when the last report is "missing in action" the lost ship as well as the lost crew is a deep wrench, a personal loss.

SO remember that not all the heroes in the AAF wear wings . . . that the chevrons under the Air Force shoulder patch, both here and abroad, are in themselves decorations of no small degree, citations that signify the teamworkers whose full share figures large in the final victory.

BECAUSE the huge air training program of the USAAF and our Allies has given us the opportunity for the mass production of more than 20,000 Jacobs engines, and over 10,000 engines of another make . . . proved the Jacobs capable of delivering as high as 1,200 flight hours between its major overhauls instead of originally specified 350 hours—in the hardest type of service to which any plane engine is subject . . . the new Jacobs postwar models will deliver dependable power at costs that will make both private flying and commercial operation cheaper, safer and more profitable . . . Jacobs Aircraft Engine Company, Pottstown, Pennsylvania.

JACOBS • Pottstown, Pa.

Background of Airborne Battle

Canada's Outstanding Air Effort Owes Much to Pioneers

In 1939 the Canadian aircraft industry, moving easily, employed about 5,000 people and produced a total of 31 planes. At its '44 peak it provided a gainful living for over 130,000 people and produced approximately 4,300 planes. World war has made a relatively insignificant manufacturing business a major factor in Canada's rise to fifth greatest air power in the world. In the last five and a half years Canadian airfields have trained more than 114,000 airmen who have fought from Iceland to India, and factories have produced more than 13,000 combat training planes for them to fly.

Although growing pains have been severe, the initiative and perseverance of those who gave a transfusion to formerly anemic aircraft business has made possible the phenomenal increase in output, number of employees, capital involved and floor space used.

Before the war the dozen or so companies building planes waited impatiently for an occasional government order to keep them in operation. By 1938 Great Britain was aware of the fact that danger could not be averted for long and looked around for facilities for the manufacture of fighting aircraft. The resulting contracts were instrumental in saving Canada's aircraft factories from complete unpreparedness the following year.

But progress was extremely slow. Skilled labor was not readily available and changes in plans were numerous. Most Canadians had never seen an aircraft factory, let alone work in one, and before the drawings of a new plane had been made, it had become obsolete, (a situation which still prevails). To a great extent this accounts for the relative slowness of the growth of output, compared with that of the labor employed.

Meanwhile Axis and Allies were each trying to bring out more deadly machines and step up the total load and weight of individual bombs. Each change has involved a completely new design, a new assembly line and withdrawal of old models, aside from training the labor employed. As a consequence achievement must now be reckoned in terms of tonnage rather than the number of planes produced.

The events contributing to the unusual growth of the industry date back to Sept., 1938, when Great Britain sent a delegation to Canada to look over the possibilities of air production in Canada. As a result, a company which became known as Associated Aircraft was formed to act as a co-ordinating organization. It was dissolved during the first phase of the war when we still dreamed rosy dreams and an all-out war effort was a vague notion. Production lagged.

In 1940 it became obvious that the situation had changed, that Canada was to play an important part in the survival struggle. The appointment of a controller to the aircraft production program gave the creaky machine a lift. By the spring of 1941 primary training planes were being turned out at the rate of a hundred a month. The demands of the British Commonwealth Air Training Plan, which was undoubtedly the most potent factor affecting the manufacture of aircraft in Canada in the first three years of the war, occasioned the building of the Canadian Anson. Again, progress was painfully slow, but eventually the production program of the twin-engined trainer was successfully concluded. The makers of the trainer, Canadian Car & Foundry, were also fulfilling their contract for Hurricanes.

The biggest news, however, broke in September, 1941, when it was announced that Canada would build the de Havilland Mosquito fighter bomber and one of the most ambitious programs of aircraft production yet attempted got under way. Since no two Canadian plants faced the same jobs or problems, no story can be called "typical," but the story of the Mosquito reflects the sort of ingenuity that won production battles for all the Canadian aircraft companies.

Adaptability Everywhere

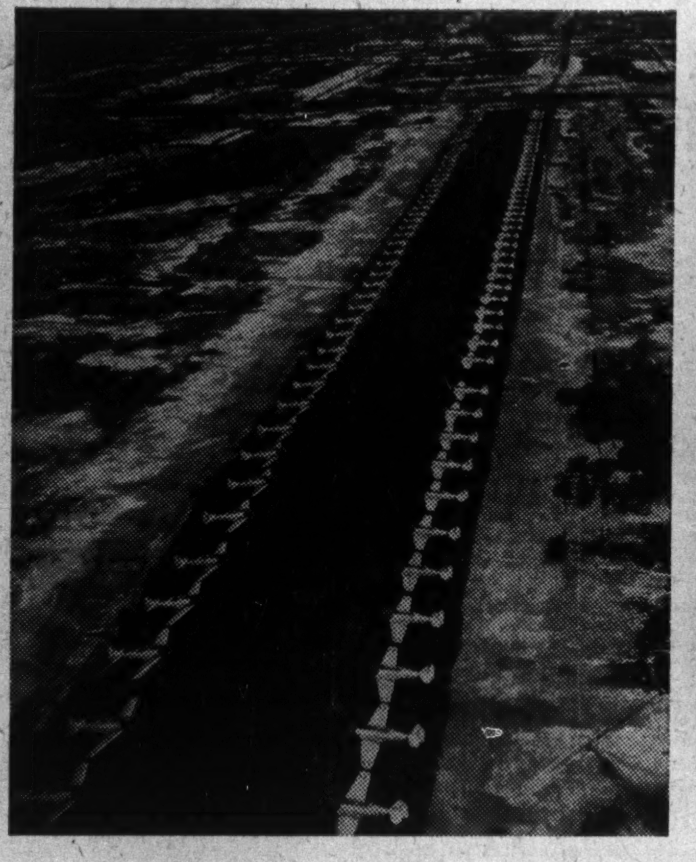
De Havilland turned over, lock, stock and barrel to the speedy bombers. That month two senior British engineers came to Canada to supervise engineering, planning and production procedures. It was a man-size job, but soon work began on complete wing and fuselage jigs, smaller jigs and fixtures, sample components and aircraft, tools, tens of thousands of drawings, operation and materials schedules, hundreds of special photographs. One year later, to the month, the first Canadian Mosquito was successfully flown.

Canadian industrial companies showed adaptability as English firms had done. General Motors turned over from motor chassis to balsa-sandwich fuselages, Massey-Harris from harvesters to plywood wings and Nash Kelvinator from refrigerators to variable pitch propellers.

The Lancaster

Another production story unfolded when, in January, 1942, it was learned that Victory Aircraft at Malton was to manufacture Lancaster bombers for Britain. This achievement is one of the great strides of the industry during this war. The final drawings for the project arrived from England in April, 1942, and 16 months later the Canadian Lancaster made its first flight. Although there were 30,000 drawings to be interpreted and over 50,000 parts to be manufactured, the job was completed in record time.

Since the beginning of the war Canada has produced the Anson V, Cornell, Mosquito (DH 98), Harvard, Hurricane, Lancaster, Norseman, PBY (Catalina) and Curtiss Helldiver, nearly 15,000 planes in all. Recently, in order to get more practical results from the huge national investment in the aircraft industry, and to step up production, fewer types of planes have been manufactured, mainly Mosquitoes, Lancasters and Helldivers. But contracts for the others are still running out.



Aircraft stretching apparently to infinity express pretty closely the measure of the aircraft industry's effort in this war, judged in terms of pre-war capacity. Since Sept., 1939, it has produced 14,700 service aircraft of widely differing and complex types, in one of the outstanding production programs of the war.

When victory is achieved in the West and the war shifts to the Pacific, it is believed that further changes will take place. The Mosquito bomber will be replaced by the Mosquito fighter, and greater emphasis will be placed on the manufacture of Helldivers.

Canadian planes have operated in every theatre of war, and standing at the crossroads of world airways, now equipped with bases and airmen, Canada is ready to take part in international air commerce — a far cry from the days of exhibition flights at county fairs.

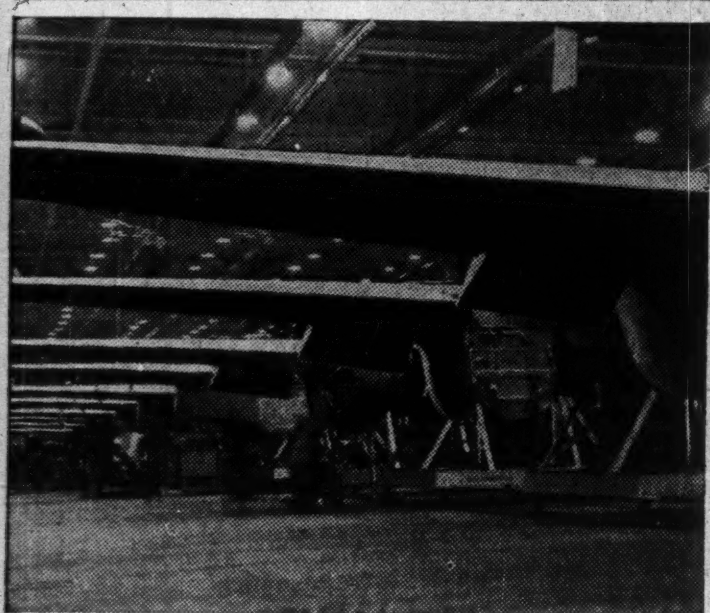
Canadian Airmen in World War I

The men who pioneered the industry can look with pride at the results of their efforts. There was little public interest in flying until World War I, when Canadian airmen distinguished themselves in combat. These men prompted the adaption of the airplane for aerial mapping, photography, prospecting and forest patrol in 1919 and throughout the 1920's. Air transport of freight and passengers struggled along as early as 1924. There was no glamour for the blazer of new air trails and air engineer—only poor pay and overwork. But the bush pilot taught Canada how to link steel with isolated mining and lumbering camps of the north and paved the way for the other men of vision who followed.

Flying Boats and Gypsy Moths

By 1927 Canadian Vickers were building flying boats, and in 1928 de Havilland set up a factory near Toronto to make the Gypsy Moth—a two-seater light airplane. In the same year the Curtiss Reid Company established themselves as competitors, and in 1929 Fairchild Aircraft Limited was formed to produce planes to be used in Canada's north. But it was not until the Noorduyn Norseman appeared in 1936 that the first airplane to be designed, financed and engineered by a 100% Canadian effort was completed.

Such was the general picture when Canada's great aerial achievement began to roll in 1939. At the close of 1944 it was no longer appropriate to talk about the "infant industry"—the phrase had served its usefulness but hardly described a major export business which was a powerful tool of war and an important factor in establishing Canada as a world power.



Down the recently completed moving assembly line at de Havilland Aircraft of Canada's Toronto plant moves the Mosquito fighter-bomber, one of the deadliest, most spectacular aircraft of this war. Two looped or "U" circuits provide a final assembly line approximately 2,400 feet long, which carries 39 carriages in active moving positions, equipped with multiple electric and compressed air outlets, compartments for large components, and fixed platforms giving access to all working areas.

What About the Seaplane For Long-Distance Flight?

British aircraft manufacturers are still debating the relative merits of the landplane and flying boat for overseas air routes. In 1939 the flying boat held a strong position, but today, the pendulum has swung the other way and now its supporters are striving to restore it to favor.

Canadians are almost equally familiar with skis and wheels. During the war Sunderlands and Cansos have been patrolling the coasts, and air bases are able to accommodate flying boats of any current type. So far, however, there has been little championing of the flying boat in Canada, and TCA sticks to land-based planes, its choice for internal lines.

The Society of British Aircraft Constructors Ltd., maintains in a recent statement, that the conflict between the landplane and flying boat is not merely a battle of wits between their respective designers, however. On the contrary its outcome may determine the economic structure of the world's airways system. In the interests of international trade, the choice must fall upon the type of airliner which yields the highest return for the lowest outlay. A sound decision cannot be the result of academic debate, it must come from practical demonstration. If the flying boat falls into neglect as a result of the landplane's war record, it is believed that the world's air commerce may be unfairly penalized, and the place of the flying boat in the scheme of world air transportation can only be decided by a vigorous and aggressive rivalry.

Flying Boats: Safer?

Exponents of the flying boat argue that statistics compiled during the past five years show that a flying boat forced to alight on the water has a better chance of survival than a comparable landplane in the same circumstances. Moreover, many flying boats have come down on land and suffered little damage, while one was flown off again using a beaching chassis as an undercarriage.

But supporters of the landplane point out that on the basis of pure performance the flying boat is outclassed on most counts; its hull as designed at present does not readily lend itself to the best aerodynamic form, and since it cannot be streamlined easily it has more drag, or head resistance, than a comparable landplane. The charge is also made that the shape of the flying boat's hull prevents it from being "pressurized," which enables aircraft to fly in smoother air at 10,000, 20,000, 30,000, or even 40,000 ft. Pressurizing must begin at about 8,000 ft., or some of the passengers may show signs of oxygen starvation and collapse. In the ratio of structure weight to total weight the flying boat also loses points, which means that as long as the advantage remains with its rival it will be less economical to operate because its disposable load will be smaller.

On the basis of these issues it appears that the flying boat will have a limited scope on the airways of tomorrow, although its supporters are convinced that it warrants comparison with the landplane until both have been brought to the peak of their efficiency and the last vestige of doubt has vanished.

Steep Rock Iron Mines has advised the Toronto Stock Exchange that on Dec. 29 the company sold to Premium Iron Ores, 267,000 shares (to be represented by voting trust certificates) at $2.25 per share. Issued capital is 5,712,011 shares.

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Maker of the "Norseman," only Canadian-designed plane in production

"Per Ardua ad Astra"

THE famous motto of the RCAF and RAF, which, freely translated means: "Through hard work to the stars" may truly be applied to the British Commonwealth Air Training Plan.

The steady hum of training planes has become a familiar accompaniment to Canadian life. Throughout the nation 154 flying centres and air schools have trained more than 200,000 men. On the ground, the British Commonwealth Air Training Plan has schooled 115,000 in 50 different trades as engineers, mechanics and other technical men required. More than 50% of over 100,000 who trained as air crew were Canadians. From all parts of the Commonwealth have come young men to gain their wings in one of the greatest air schemes of all time. They have flown nearly 2,000,000,000 miles, equal to 21 trips to the sun. Nearly half this mileage was flown in 1943 alone.

The British Commonwealth Air Training Plan has been hailed far and wide as one of the most potent reasons for the success of Allied Forces in this war.

We salute all who have planned and operated this great enterprise.

The B. F. Goodrich Rubber Company of Canada Limited, Kitchener, Ontario, makers of airplane tires, de-icers, hydraulic and air tubing, instrument mountings and many other rubber specialties for the aircraft industry.

In war or peace B.F.Goodrich FIRST IN RUBBER

Aircraft Cutbacks Spotlight Problem of Jobs For War-Skilled Workers of Air Industry

Recent layoffs in the aircraft industry have brought to a head much speculation concerning the future of the more than 120,000 Canadians now building combat planes. Victory Aircraft at Malton, for instance, will reduce the number of its employees from 9,200 to 6,300, it was announced recently. It is also expected that the aircraft industry will reduce staff in Winnipeg. This will affect four plants, and several thousand workers.

However, Selective Service officials point out that there are other jobs immediately available for those who will not be retained by airplane plants. In most cases highly skilled workers will be kept on until the future of the industry becomes less obscure.

In effect, the aircraft industry has a marked advantage in solving its layoff problem. Because its cutbacks are coming early, it—and the community—face no problem of "placing" workers. In Toronto, for example, Selective Service officers announced that shell-filling and fuse plants could absorb all suitable workers now available. Besides this, civilian industry is hungry for help, with the food industry, for instance, running below capacity, chiefly owing to lack of help.

How To Hold Key Men?

On the other hand, the aircraft industry will face a problem of holding such of its skilled workers as it wants to use on future operations . . . holding them until the nature of those future operations is determined. And the present layoffs are not uniform throughout the industry. When hostilities cease there will still be workers employed in the aircraft industry, who, though vitally necessary in war, are too numerous for peacetime aircraft output.

Before the war only 1,000 were engaged in the aircraft industry and thus the number dependent on the industry was only a few thousand.

Of those now engaged in aircraft manufacture, probably as high as 95% have no special skill for anything else. Most airplane plant workers had no trade experience when they started on their present work, but are now highly proficient, after long training and experience, in their particular work on aircraft.

39,000 Women Workers

Of the 122,000 persons employed in aircraft manufacture, including overhaul plants, primary contractors and subcontractors, last spring, when airplane production activity was at its peak, about 39,000 were women. Even granting that many of these women previously were housewives, and can return to their homes, there still is left a large number of people threatened with possibility of loss of their livelihood, and with no special training to fit themselves into new work.

Both the manufacturers and government officials have been giving this problem increasing study.

Some manufacturers have been making plans for manufacture of products, other than aircraft, at their plants, at least temporarily, when war contracts cease. Among products being considered are metal furniture, but assembly work and similar operations where existing tools could be used.

Problems in Transition Period

At best, however, such a possible move is looked upon only as a stopgap. Those companies contemplating such a step are moved primarily by a desire to retain in their employ their best and most skilled workers, pending development of new plane production for nonwar uses.

Other companies are definitely opposed to any attempt to make any products at their plant other than airplanes. It is argued in some quarters that past experience has indicated that when a plane plant has attempted to make some products other than aircraft the experiment almost invariably has resulted in failure. It is pointed out that when a plant enters a new business, it inevitably is forced to compete with established firms in that field, with firms who have experience and trained personnel that give them an advantage.

See Export Possibilities

Aside from the immediate transition period problem, there is also the problem of future marketing, not just a month after the war, but a year and five years after the war. It is recognized that, even granted there is to be private domestic demand for planes, such demand would be small in comparison with the wartime demand, and not commensurate with the size to which the industry has now developed.

The manufacturers have recently joined together into a joint association, the Air Industries and Transport Association of Canada, whose purpose is to develop factual material and work with the government in development of a government program to aid the industry to maintain itself on a scale that will permit retention of many thousands of its present workers.

Ask Treaty Revisions

The association, in a brief submitted to the Canadian Government last June, urged:

That provision should be made in trade treaties for preferential tariff treatment on aircraft produced in Canada; that a protective duty should be maintained by Canada on aircraft and substantially complete components where it is necessary in order to permit manufacture in Canada to become firmly established; that the cost of air transportation in Canada should not be handicapped as it has been heretofore, by the imposition of duty and war exchange tax on parts, materials and components of a type and size not made in Canada.

Also, downward revision of the rate of duty was specifically recommended but only in the case of aircraft of a type or capacity of which no equivalent is manufactured in Canada. The brief contended that the pyramid of duty, war exchange tax and sales tax now levied on machinery and tools not procurable in Canada, handicaps the Canadian manufacturer's position in the export market and increases cost of air transport in Canada. It also was urged that the sales tax now levied on tools, jigs and manufacturing equipment of domestic origin increases the cost in Canada of air transport and should be removed.

Seek Empire Outlets

As regards export possibilities for the Canadian aircraft industry, it is generally felt in the industry that there is little hope of getting into the U. S. market. While U. S. companies have higher wage costs, their large domestic market permits them to develop mass production with resultant lowering of unit costs.

It is believed, in the industry, that with favorable treaty arrangements, a considerable export trade in aircraft could be developed.

Canadian production costs on basis of output per man-hour, it is contended, are favorable as compared, for instance, with the United States, when climate and other factors are taken into consideration. Canadian workers also have advanced far in skill of workmanship in recent years.

Tax Uncertainty Remains

Most Canadian companies have production and marketing plans for after the war. This planning, however, has had to be contingent on future governmental policies.

One of the big uncertainties that has faced the companies for some time is what financial resources they can rely on. The industry has been attempting to get a special ruling on a standard profit base for taxation purposes that will take into consideration the manner of development of the industry. Inasmuch as production was negligible during the immediate pre-war period, and profits correspondingly low, strict application of the EPT obviously means that wartime revenues go to the Government, with very little left. The companies would be forced to face postwar problems with working capital little or no better than at start of the war.

The big factor likely to govern future employment in the aircraft industry thus is the matter of governmental policies. So long as such policies are uncertain exact prophecies for the industry are exceedingly difficult and the future of the worker remains obscure.

To Form Own Labor Board

From Our Own Correspondent

REGINA — Mistrust of the National Wartime Labor Relations Board, headed by a newly appointed chairman, Mr. Justice D. A. McNiven, former Regina Liberal M. P., evidently has led the Saskatchewan CCF Government to decide to name its own labor relations board to administer the new Trade Union Act of Saskatchewan.

Announcement that a new provincial board would be created was made here by Labor Minister C. Williams. The announcement reverses the intention of the provincial government, as during the debate on the Trade Union Act in the special legislature session in November Mr. Williams said it was likely the Trade Union Act administration would be placed in the hands of the federal board.

New Act in Effect Soon

The Trade Union Act, still inoperative, will likely be proclaimed this month. It contains provision for appointment of a seven-man board, representative of labor and employees, and a chairman. It may also have representatives of the public.

Originally the Act was to be effective before the end of the year, but delay in organizing the administration has caused it to be held up.

Volume on T. S. E. Hits 1938 Level

A new high record since 1938 in volume of trading on the Toronto Stock Exchange was reached in 1944, according to President W. G. Malcolm's report. A total of 172,767,296 shares changed hands on the floor as compared with 114,625,706 in 1943; 38,805,347 in 1942; 53,263,435 in 1941; 74,930,621 in 1940; 120,930,702 in 1939; and 212,186,809 in 1938.

Dollar value of shares during the year amounted to $266,081,439, which was a new high record since 1939 and compared with $182,074,580 in 1943 and $293,293,960 in 1939.

There were 20 different days when volume crossed the million-share mark, as compared with three days in 1943, two in 1942, none in 1941, three in 1940, six in 1939 and 41 in 1938.

NEW WARTIME REGULATIONS

Hay: WPTB Order No. A-1511, effective Jan. 20, revokes Order No. A-1414 and provides regulations respecting the maximum prices of hay in the central and eastern provinces which include Ontario, Quebec, Nova Scotia, New Brunswick and Prince Edward Island. Feeds Admin., J. G. Davidson.

Knitted Goods: WPTB Order No. A-1506, effective Jan. 17, revokes and replaces Order No. A-1094 and provides regulations respecting the maximum prices of knitted goods. Admin. of Knitted Goods, H. G. Smith.

Winnipeg Goldeyes: WPTB Order No. A-1508, effective Jan. 17, fixes maximum prices for sales by processors of Winnipeg Goldeyes. Maximum prices for sales by wholesale distributors and retailers of such fish are fixed by Administrator's Order No. A-1452. Admin. of Fish and Fish Products, A. N. McLean.

Oranges: WPTB Order No. 473, effective Jan. 15, revokes Order No. 239 as amended. Chairman, D. Gordon.

Flour Bags: WPTB Order No. A-1502, effective Jan. 8, revokes Order No. A-157 and provides regulations respecting flour bags. Admin. of Flour and Cereal Products, J. J. Page.

Fuelwood: WPTB Order No. 103, effective Dec. 28, revokes Order No. 92 and provides regulations respecting maximum prices of fuelwood in Saskatchewan. Timber Admin., A. H. Williamson.

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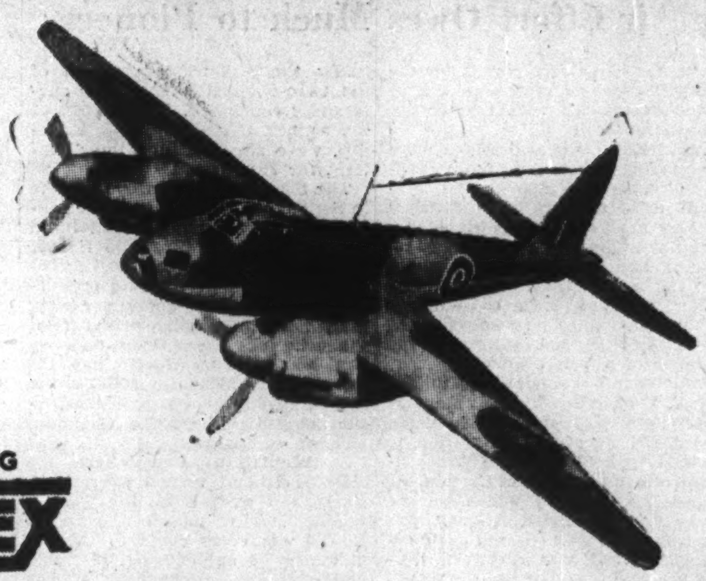

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LINATEX
We are proud of the part we are playing in supplying self-sealing fuel and oil tank coverings, sealing strips, gaskets, dinghy stowage, mountings, etc., on the world's fastest bomber . . . the "Mosquito"!
Linatex is approved by the Air Ministry for leak and fire proofing, petrol and oil tanks, and fuel pipes. It is capable of withstanding the extreme temperatures encountered at tremendous heights.
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flexible HOSE for all Industry
The Flexatex range includes types suitable for the conveyance of practically every kind of fluid or gas. The unique design brings better relative performance than any other type. The special form of construction enables an untrained operator to fit it on site. Standardisation has ensured use in conjunction with approved aircraft fittings.
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An outstanding "private venture" production of the British aircraft industry—The de Havilland Mosquito (Rolls-Royce Merlin engines). Most versatile high-speed aircraft in service, equipped for duties ranging from night fighting to long-range heavy bombing, the Mosquito is in quantity manufacture in Britain, Canada and Australia

BOLD ENTERPRISE

The battle honours achieved by British warplanes in every zone of the global war testify to the great and virile industry that stands as a background to the fighting air forces.

Right up to the present day British official policy has entrusted the design of all aircraft and engines to the individual companies of the aircraft industry—a system which has produced, among other rich dividends, bomber fleets carrying bigger unit war loads than any other Service in the world, fighters whose supremacy has remained unchallenged for five years and flying boats which range the oceans.

Most of the more successful warplanes and engines which equip the Empire Air Forces owe even more than their design to private enterprise. The genius of the industry's designers frequently enables them to foresee, more clearly than the official technicians, the future operational requirements of the fighting Services. Thus are created the "private ventures"—aircraft and engines of which both specification and design have been evolved by the manufacturer and developed through his initiative.

When its war task is completed, the British aircraft industry will direct to the pursuit of peaceful objectives the inventive genius, technical skill and adaptability through which air mastery in war has been achieved.

THE BRITISH AIRCRAFT INDUSTRY
ANNOUNCEMENT BY THE SOCIETY OF BRITISH AIRCRAFT CONSTRUCTORS - LONDON - ENGLAND

The Details of the DC-4 Transport for Postwar

Spotlighted postwar aircraft for Canada is the Douglas DC-4, four-engined transport chosen by Trans-Canada Air Lines for its major domestic and overseas routes. Canadair—formerly Canadian Vickers' aircraft division—is now working on an order for 50 DC-4's, some of which TCA expects to use to straighten out the transcontinental route, fly across the Great Lakes with no cost-raising overland detour. American Airlines is already using the DC-4; expects with it and its successor the DC-6 to reduce the cost of overseas travel to about $260 (one-way) to London, $300 to Paris.

Here are the specifications for the transport likely to become familiar to Canadians after the war:

Maximum Speeds
(At takeoff gross wt.)

Cruising ..	240 m.p.h. (10,000 ft.)
Emergency	295 m.p.h. (19,000 ft.)

Dimensions

Length	94 ft.
Height	27 ft. 6 in.
Span	117 ft. 6 in.
Takeoff weight	71,300 lb.

Passengers

Day	44
Night	22

Pressurization
Oxygen only with provisions for later installation of pressurization equipment.

Power Plant
Four Pratt & Whitney R-200-9 engines.

Takeoff power per engine	1,450 h.p.
Cruising power per engine	735 h.p.

Heating and Ventilation
Specially developed heating system utilizing "internal combustion heaters."

From skeleton to finished aircraft develops the Noorduyn Norseman (seen here on the final assembly line) . . . sturdy freight and passenger aircraft of a type counted on to give Canada a specialized export market for her planes.

South. Canada Power Earnings Improved

From Our Own Correspondent

MONTREAL — Southern Canada Power Co. reports December gross at $292,217, increase of $82,163 over December, 1943, and surplus after charges and dividends at $2,276 compared with deficit of $14,282 the year before. For the first three months of the current fiscal year gross was $901,077, up $113,717 over the year before, and surplus after charges and dividends $8,844 against deficit in the 1943 period of $12,079.

The increase in gross earnings for the 1944 period was due in part to free service given in the 1943 period.

Some Chicken! Some NECK!!

. . . some joint!!!

Thirteen years ago, the first sheet of a new English product on the Canadian market left our premises to find a better home in a transformer. The manufacturers said it would resist oil and spirits and we took their word for it.

Since then, many a troublesome joint has disappeared and LANGITE, the patented oil-resisting cork sheet with the specially shrunk, cotton lamination to provide extra tensile strength, replaced gasket after gasket and oil leakage, one of the vital problems confronting engineers generally in Canada, literally died a natural death.

And speaking of death and destruction . . . Britain was rated as unprepared in 1939, but, a year or so before that, British engineers had produced a special grade of LANGITE AERO, to Spec. 219A and this aero grade proved itself in the Battle of Britain. The designers of Spitfires, Lancasters, Mosquitoes, Avro Anson, Hawker Hurricanes, Bolingbrokes, Hampdens and other British planes know Langite as standard equipment, specified on their respective blueprints.

Regardless of where future planes may be designed or built, in view of these facts, the engineer specifying Langite or substituting Langite upholds a worthy tradition and protects himself against doubts and worries with one stroke of the pen.

Talking about manufacturing! The school of hard knocks has produced a dynamic organization unafraid and ambitious. Consequently, our production of many items previously imported into Canada have been made on the spot, in record time, without interference . . . and we love it!

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Grass That Rescued the West

Crested Wheat Grass Turned Wastes Into National Asset

By JIM GREENBLAT

Mr. Greenblat is editor of the Swift Current Sun, widely read in Southern Saskatchewan.

A humble grass saved Western Canada from economic stagnation. You can give accolades to strip farming, irrigation and what not, but ask any rancher or farmer in Alberta or Saskatchewan what one single factor contributed most to stabilizing the wheat or grain industry and raising the productivity of livestock and he's very likely to say, "crested wheat grass." And herein lies the story of a stocky, blue eyed, middle aged agriculture-scientist, a graduate of the University of Manitoba, Dr. Sidney E. Clarke. If you call him "Wheat Grass Clarke" they'll know better who you mean.

To know just how this man, who now carries on his research work out of the Dominion Experimental Station at Swift Current, Sask., gave a vigorous dose of economic penicillin to western Canada, it is necessary to recall the picture in this section of the Dominion a couple of decades ago.

Exodus of Thousands

Take southern Alberta, where thousands of farms were abandoned because of the drouth and the owners moved to other areas. Then the "hungry thirties" in the dust bowl of southwestern Saskatchewan, culminating in the never-to-be-forgotten year 1937 when all the land was a parched brown, not a blade of grass lived, livestock died by the tens of thousands. Those were the days when pessimists—and others—both in western and eastern Canada were resolved that they might as well give the country back to the Indians and the buffalo, write it off as a debit to our national economy.

Today, seven short years later, farmsteads, ranches that were desolate, sand-piled wastes in 1937, are today pictures of lush green and prosperity. One crop district in southwest Saskatchewan which had got down to 500,000 bushels of wheat, harvested 80 million bushels in 1942. Those vicious, strangling, debilitating sandstorms of the pre-1938 days were a thing of the past. And all because of a proper land use program plus "Crested Wheat Grass Clarke."

What about the several millions of acres of once cultivated land which had been abandoned? Are they a mass of weeds, a menace to agriculture? This article will attempt to answer.

Vast Reseeding Project

It was just 19 years ago when people finally jerked awake to the fact that millions of acres of abandoned land were a liability to the country. Farmer and rancher organizations got together to send a delegation to Ottawa with the plea that something should be done—and quick.

Dr. E. S. Archibald, director of experimental farms was sympathetic, immediately gave leadership to a wholesale reseeding plan which had been brewing in his mind, appointed Dr. S. E. Clarke as agrostologist and L. B. Thomson, the latter now superintendent of the Dominion experimental station at Swift Current, as field husbandman, to survey the situation.

As a result of their surveys a Dominion range experimental station was located at Mannyberries, Alberta, desolate scene of abandoned, weedy lands.

The approach was difficult; it appeared hopeless at one stage because suitable grasses for reseeding were scarce. Native grasses produced little viable seed. Nevertheless they went to it, collected the seed of several native grasses laboriously, by hand. Germination studies were not very encouraging for large scale seeding.

Historic Field Trials

Then it was they took the step which paid off; they instituted field trials.

An area of 600 acres of weedy land was selected in the driest part of Western Canada, with cactus, prairie sage and rattlesnakes as sole occupants. This land had been broken in 1918, had never grown a successful crop. They tested with all sorts of grasses, brome, western rye, native bluejoint, crested wheat grass. They planted in blocks in the most unorthodox manner, even in every period of the year.

They followed practices which would make some agriculturists shudder. For example they seeded wheat grass in heavy weed growth in early November. Who had ever heard of such a thing in sound agriculture? Clarke and Thomson just got to the stage where they took the stand, "Well, we may have done a foolish thing in all this experimentation, but the thing is done and we might as well be criticized for doing something, as nothing at all."

Little attention was given to possible results in the early spring as grasses are slow to grow. Later, they visited the area and discovered to their amazement that while all blocks indicated a lack of growth except weeds, one, sitting out all by itself had a beautifully thick covering of grass. It was crested wheat grass sown the previous November.

Dr. Clarke watched the progress of this field closely, decided more extensive plantings of crested wheat should be undertaken. This was the birth of large scale seeding programs in co-operation with farmers and at the Mannyberries station. Difficulties were encountered. Many farmers thought the time of seeding unorthodox and stuck by their guns. He argued and cajoled them into seeing the value of it to the future of agriculture and beginning to grow it in quantity for seed production. The demand for seed grew astonishingly, became a profitable crop to grow.

Becomes Part of PFR

With the severe drouth of the early 1930's, crested wheat grass became a definite part of the Prairie Farm Rehabilitation program. Farmers were organized, and sometimes with considerable effort, into Agricultural Improvement Associations in their own localities. Each farmer was given 10 pounds of crested wheat grass seed. The results were just the same as experienced by Dr. Clarke several years before. The demand for seed became greater, the demand could not be met, so farmers in northern Saskatchewan and Alberta were encouraged to grow this profitable crop for seed to be distributed in the south.

Quietly the program of reseeding noncrop lands continued, and what are the results today?

Hundreds of thousands of acres have been seeded by farmers on lands unsuitable for crop production. These were once lands which provided no feed, blew themselves all over western Canada, a menace to all good soil in their path.

Wasteland War Asset

Millions of acres of weedy, abandoned farm lands have been seeded to crested wheat grass by municipalities and by the PFRA in community pastures; made revenue producing.

Badly soil drifting areas that were a menace to adjoining productive farms have been seeded down permanently and will not be broken up again. They have been declared sub-marginal by provincial statute.

Municipalities have established seed blocks for distribution of seed to farmers at a low cost.

The results can be added up to turning a liability into an asset. These lands have enabled establishment of a sound livestock production in Canada's war effort. It has given insurance against drouth years. In 1937 where lands were drifting like the clouds in the sky, today farmers are cutting hay.

And Dr. Clarke's crested wheat grass enters into the war picture in an entirely unexpected manner. When the British Empire Air Training Plan came into being in 1941 and scores of airfields had to be built quickly all over the west, as in the eastern part of Canada, they were looking for a grass that could be readily seeded, that would choke out weeds and provide a good surface under dry conditions. Crested wheat grass was the answer and all airports were seeded down under the direction of Experimental Farm officials. Today every airport on the prairies has an excellent grass cover, will withstand most kinds of use and abuse.

Seven-foot Roots

What are the attributes of this humble grass, unrecognized for so many years? There are many. For one thing it responds to early spring moisture, begins growth a good ten days before native vegetation. It develops an extensive fibrous root system and does not rot under dry conditions. Its roots penetrate down to seven ft. in the ground and its fibrous system chokes out all weeds.

Crested wheat grass has enabled the farmer to carry five times the number of livestock as compared with native pasture. There are fine hay crops when cut at the right time. It has a high nutritive value.

The use of this grass has developed most rapidly. It is used extensively now for covering unsightly farm yards, on highway right-of-ways, in vacant lots in towns and cities, in cemeteries, school yards and has even been planted in church yards.

Crested wheat grass is now looked upon as a veritable stabilizer in a land use program which has given Western Canada, especially the areas known as the "dust bowl" a new consciousness, a new vigor and brighter outlook for the future. It has enabled the by-products of the farm to be made more profitable; an insurance to livestock production whose very essence of life is feed sources.

New Alfalfa Coming?

In the few short years since Dr. Clarke brought crested wheat grass to national prominence, great progress has been made. To him, however, this is not the final answer. He feels further progress can be made. He is developing an alfalfa that bids fair to do just as much as crested wheat grass, and is working on a selection of native grasses which he thinks will outrival his first-born.

Dr. Clarke is truly rated as a great Canadian out West. There is no glamor in his work; no headlines. But he hates sand, loves grasses, likes people; best of all farmers and ranchers, even if sometimes they are too stubborn for their own good.

Just this past fall came a practical demonstration of the worth of crested wheat grass. Some distance west of Swift Current in a "dried-out" area something had to be done about cattle. The Federal Government offered use of Wymark airport (south of Swift Current), copiously seeded to crested wheat grass, while the provincial government paid shipping charges for the cattle which were sent out there for feeding. Some 263 head were kept on the crested wheat grass for nearly two months, then sold at a feeder sale in Swift Current. They were in good shape considering the time of year. It is interesting to know that prior to arrival of the cattle, some 700 tons of hay had been sold from the airport site to neighboring farmers, and the cattle fed on "second crop".

This opens up the possibilities of the Government setting aside submarginal areas everywhere in the West for the growing of crested wheat grass for just such emergencies as the case mentioned above. That in addition to the huge community pastures now in use under PFRA.

The SKY'S the LIMIT

CANADA'S geographical position places her at the cross-roads of the world's air routes. Air transportation is destined to play a profoundly important part in the Dominion's future development. Indeed, under a far-sighted national policy for aviation and aircraft production, the scope of Canada's role in the skyways of tomorrow will be bounded only by the sky and the initiative of her own people.

Canadians have never lacked initiative; this fine characteristic, which flourishes under the system of free enterprise, has been a vital factor in Canada's progress.

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Index to Major Articles in The Financial Post During 1944

A Report of Stewardship and Service to the Canadian Nation

Prepared by BEATRICE HAMILTON, Librarian, The Financial Post

Herewith The Financial Post publishes its third annual index. Listed here are only the special articles appearing in the 53 issues of 1944. To include all articles and items of business importance appearing in last year's issues of The Post would require a list several times as long. Selected for listing here are those major articles with a general and continuing value for businessmen, industrialists and students of Canadian business and public affairs. No cross-indexing of these articles has been attempted.

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Ask wider audit costs Feb 12 p8
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WOOLLEN INDUSTRY
See also Textiles
Coming surplus July 15 p20
Can woollens Nov 11 p17

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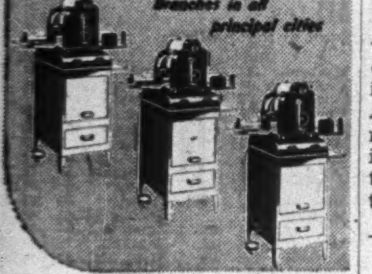

Where Can We Fly Our Planes?

(Continued from page 15)

view of the expected opposition of the United States, Canada had greatly modified this position, by the time the Chicago meeting was held.

We urged at Chicago that rates should be set initially by conferences of operators themselves, but should be subject to review by an international authority in case of dispute or disagreement. We urged an international "authority" with considerable power over routes and frequencies, but in the interests of free competition, we suggested an "escalator" clause, whereby any air service which was able to pay its way (that is, show an average payload of 65% or better in its operation) should be free to extend its services without the formality of permission from the regulatory control body.

We also admitted that there would have to be an "interim" period prior to the setting up of an effective authority. During this period, individual nations would be free to make temporary negotiations one with another, just as Canada and the United States are about to do at Washington.

We know now that Chicago fell considerably short of what had been hoped for, chiefly because of inability to find a satisfactory "middle ground" between the British and U. S. point of view. Canada proved to have the only detailed compromise proposal, most of the Chicago discussion revolved around three-way talks between the A-B-C powers (America, Britain and Canada).

Actually the margin of difference between the opposing views seemed (in the Canadian view) to be not very great. The point at which the two major powers finally fell apart had to do with method of controlling or regulating "intermediate" traffic—that is, traffic which originated at international points in an international service.

"Intermediate Traffic"; Example:

A case in point would be traffic which originated, say, in Montreal or London, as intermediate points in a New York-Paris service. The Americans finally conceded the right of the international authority to regulate such traffic, but they wanted it to be subject to the 65% escalator clause as proposed by Canada. Had they obtained this, it would have meant that American services could have included all intermediate traffic in the calculation of "payload" on long-run international routes. This would have made it easy to reach the 65% payload factor and have given American services an edge in extending routes freely without reference to the international authority.

The British would not concede this. They thought this would give an unfair advantage to the big and powerful operator, and upset very quickly any agreed distribution of routes such as the proposed initial 50-50 distribution between Britain and U. S. of North Atlantic frequencies.

The delegates having failed to agree, the Chicago conference disbanded, with some important achievements but with only slim pretence at any international "authority." Out of the conference came five separate documents, all of which were left at Washington pending the decision of individual nations to sign or ratify them. Roughly, this is what they are:

1. An international convention which agrees merely on a permanent organization to administer air navigation rules and "technical" standards for international flying.

2. An innocuous document known as the "final act" which summarizes the work of the conference, makes some pious recommendations, and sets forth the "standard" form to be used by individual nations when negotiating direct "bilateral" air agreements one with another.

3. An "interim" agreement setting up a provisional international civil aviation organization in Canada, for a period not exceeding three years, less if a permanent body can be ratified and approved in the meantime.

4. A "right of transit" document under which all signatory nations agree to grant each other the right to fly freely for non-stop purposes over each other's territory and agree to let such planes stop for emergency landing or repairs.

5. A "transport" document which grants mutually to all signatory nations, three other rights in addition to the two "transit" rights named above. These three additional "rights" or "freedoms" are: the right to carry traffic from the home country of an airline to any other signatory state; the right to pick up traffic in any other signatory country and carry it home; the right to carry "intermediate" traffic.

The Signatories

To date, enough nations have signed the "interim" document to ensure that this provisional organization will be set up in Canada very shortly.

The international convention must be ratified as well as signed, since it has the force of an international treaty.

It has been signed by some 35 nations.

The "final act" or standard form document has been signed by all but one (Liberia) of the Chicago delegates.

Some 29 countries (exclusive of Canada) have signed the "right of transit" document.

Nations which have agreed to all of the five "freedoms" or international rights include: Afghanistan, China, Dominican Republic, Ecuador, Haiti, Honduras, Mexico, Nicaragua, Peru, Sweden, Turkey, United States, Uruguay, Venezuela.

This represents therefore the framework around which the nations of the world are now patterning postwar international civil air transport systems.

For the future, Canada's role in direct bilateral negotiation for world airway routes, and in the deliberations of any future international authority will be of considerable importance. Right now, this country is chiefly interested in having a direct stake in the North Atlantic and in establishing connections to the South, possibly through the West Indies. She will also co-operate in the creation of any commercial route to Australia using Canadian facilities as "intermediate" routes.

Our trump cards in negotiation with the United States are the present desire of commercial operators to use Canadian ports as intermediate stopping points in the Atlantic run. Later, the use of Canadian ports for "overland" routes to Russia and other "top-of-the-world" journeys will be of consequence. Canadian co-operation is also essential in the operation of weather and other technical services for successful operation of the Atlantic crossing.

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PROGRESS REPORT

· 1944 ·

A Record Year in All Departments

Deposits

1942	$2,057,257.15
1943	$2,762,805.45
1944	**$3,407,637.86**

99% of Deposits are secured by Dominion of Canada Bonds and other high-grade securities.

Estates, etc., Under Administration

1942	$11,383,228.85
1943	$13,280,062.64
1944	**$15,883,402.32**

Assets in the Hands of the Company

1942	$13,838,101.38
1943	$16,455,962.17
1944	**$20,011,583.10**

Guaranty Trust
Company of Canada
A Complete Trust Service
Toronto Windsor Niagara Falls Montreal

West Malartic Mines is reported to have reached 1,115 ft. in current shaft sinking program designed to carry underground workings to a depth of 1,200 ft. vertical. Four new levels are to be opened on completion of the sinking program, to be followed by drifting to the ore on various new horizons. Exploratory work in the No. 7 ore zone on the new 6th. level continues to give satisfactory results, F. A. Fell, general manager, reports. The No. 6 zone is expected to be reached in another 10 days and the No. 3 zone in about two weeks. Work on the upper levels continues satisfactory.

Porcupine Southgate Mines has completed the No. 1 drill hole to a depth of approximately 1,000 ft. on its property comprising some 50 claims in Deloro twp. The hole is reported to have disclosed a wide carbonate zone which included veins and stringers of quartz, being bottomed in serpentine.

Guaranty Trust

Guaranty Trust Co. of Canada reports progress maintained throughout 1944 despite many problems from wartime conditions. Profits of $170,075 were realized from sale of capital assets and $15,695 from sale of investment securities.

Total assets in hands of the company amount to $20,011,583.

Liabilities to public ..	$3,421,981	$2,772,572
Shareholders' equity .	706,200	403,327
Total*	4,128,181	3,175,899
*Secured by:		
Mtges., realty, etc.▲	725,989	397,346
Liquid assets†	3,397,831	2,778,553
Other assets	4,300	......
Estates account	15,883,402	13,280,063
▲Includes office premises. †Includes bonds and stocks.		
Earned per share	5.89%	5.68%
Paid	5.00%	5.00%

The Circle Bar Knitting Co. has declared an extra dividend of 5c a share payable, along with the regular quarterly dividend of 15c a share, on Mar. 1, 1945, to shareholders of record Feb. 15; ex-dividend Feb. 14.

Bell Telephone Co. of Canada has advised the Toronto Stock Exchange that an additional 639 shares have been issued under the terms of the employees' stock plan, forming part of the issue covered by resolution of the directors dated Apr. 26, 1944. Issued capital is now 859,998 shares.

Company Reports

Biltmore Hats

John A. Fraser, president, Biltmore Hats reports a satisfactory year's business in his annual statement to shareholders. Inventory showed a sharp decrease at Nov. 30, 1944 as compared with same date 1943. During the fiscal year the balance of the debenture issue of $100,000 which carried a rate of 4% was renewed at the favorable rate of 3% and will mature May 31, 1947. Buildings and equipment are reported to be in excellent condition.

INCOME ACCOUNT

Years Ended Nov. 30:	1944	1943
Net earnings	$184,111	$209,358
Less: Depreciation	19,403	18,280
Debenture int.	3,500	4,281
Income tax res.▲	80,773	113,185
Net profit	80,435	73,612
Com. divds.	36,000	60,000
Surplus for year	44,435	13,612
▲Incl. refund. E.P.T.	5,430	12,780
Earnings per Share and Dividend Record:		
Com.: Excl. ref. E.P.T.	$1.01	$0.92
Incl. ref. E.P.T.	1.07	1.08
Paid	0.60	0.60

CONDENSED CONS. BALANCE SHEET

As at Nov. 30:	1944	1943
Cash & Dom. bds.	$232,588	$125,200
Accts. rec.	190,202	149,161
Inventories	387,910	512,457
Total curr. assets	810,700	786,818
Misc. assets▲	22,540	18,543
Fixed assets*	136,197	135,107
Total assets	969,437	940,468
Bank adv.	150,000	165,930
Accts. & tax. pay.	159,027	164,002
Total curr. liab.	309,027	329,932
Debentures	100,000	100,000
Capital stock	85,475	85,475
Surplus▲	474,935	425,061
*After depr. of	268,451	250,644
▲Incl. refund. E.P.T.	20,197	14,760
Working capital	501,673	456,886

Dover Industries

Dover Industries reports sales were maintained at a satisfactory level during the year ended Sept. 30, 1944. Net profits, even after increased provision for taxes, were up over last year.

CONSOLIDATED INCOME ACCOUNT

Years Ended Sept. 30:	1944	1943
Net earnings	$325,863	$283,983
Less: Deprec.	17,326	18,009
Inc. tax. res.*	195,144	158,257
Net profit	113,393	107,717
Less: Com. divds.	85,690	85,690
Surplus for year	27,703	22,027
*Incl. refund. E.P.T.	24,000	17,550
Earnings per Share and Dividend Record:		
Earn.: Excl. ref. E.P.T.	$0.79	$0.75
Incl. ref. E.P.T.	0.96	0.88
Paid	0.60	0.60

CONDENSED CONS. BALANCE SHEET

As at Sept. 30:	1944	1943
Cash	$ 363,221	$ 93,437
Accts. rec.	146,843	187,016
Investments♦	190,064	109,841
Inventories	375,378	659,171
Total curr. assets	1,075,506	1,049,465
Misc. assets▲	56,992	35,556
Goodwill	137,082	137,083
Fixed assets*	210,596	199,479
Total assets	1,480,176	1,421,583
Total curr. liab.	305,758	298,868
Capital stock	1,000,000	1,000,000
Earned surplus	174,418	122,715
*After depr. of	529,058	516,741
▲Incl. refund. E.P.T.	44,050	20,050
♦Market value	217,200	131,500
Working capital	769,748	750,597

Belding-Corticelli

Sales for Belding-Corticelli for the year ended Nov. 30, 1944, were the second largest in the company's history despite continuing scarcity of raw materials and shortage of labor. The final price of the war supplies, on which the company continues to be largely engaged, has not yet been determined. During the year an extra 2% common stock dividend ($14,990) was paid out of the profits of 1943.

INCOME ACCOUNT

Years Ended Nov. 30:	1944	1943
Net earnings	$553,448	$433,904
Less: Deprec.	140,209	159,188
Income tax res.♦	287,033	153,096
Employ. ben. res.	......	7,613
Net profit	126,206	114,007
Less: Pref. divds.	60,571	60,571
Common divds.	44,970	44,970
Surplus for year	20,665	8,466
♦Incl. refund. E.P.T.	40,584	14,797
Earnings per Share and Dividend Record:		
Pref.: Excl. ref. EPT	$14.59	$13.18
Incl. ref. E.P.T.	19.28	14.89
Paid	7.00	7.00
Com.: Excl. ref. EPT	8.76	7.13
Incl. ref. E.P.T.	14.17	9.10
Paid	6.00	6.00

CONDENSED BALANCE SHEET

As at Nov. 30:	1944	1943
Cash & govt. bds.	$ 940,153	$ 852,506
Accts. rec.	530,843	471,693
Inventories	711,898	636,882
Total curr. assets	2,182,894	1,961,081
Prepd. chgs.▲	180,727	80,239
Fixed assets†	845,211	867,295
Total assets	3,208,832	2,908,615
Total curr. liab.	527,725	361,770
Reserves	243,126	243,572
Capital stock	1,614,800	1,614,800
Capital surplus	74,000	......
Surplus▲	749,181	688,473
†After depr. of	2,224,309	2,148,051
▲Incl. refund. E.P.T.	98,028	57,444
Working capital	1,655,169	1,599,311

United Distillers

Net profit for the year ended Sept. 30, 1944, was up slightly from the previous year at $122,822.

After payment of regular 10c dividend the surplus for the year was substantially higher than that for 1943.

CONSOLIDATED INCOME† ACCOUNT

Years Ended Sept. 31:	1944	1943
Total net income	$797,589	$618,421
Less: Bad debts	16,744	777
Depreciation	146,407	78,092
Interest	23,249	17,131
Inc. tax res.♦	488,367	261,378
Res. re reject. ind. alc.	......	150,000
Net profit	122,822	111,043
Less: Dividends	67,109	‡70,264
Surplus for year	55,713	40,779
♦Incl. refund. E.P.T.	75,400	33,500
†Including Canadian subsidiaries only.		
‡After deducting subsidiary divs. amounting to $9,892 in 1944, $6,736 in 1943.		
Earnings per Share and Divd. Record:		
Com.: Excl. ref. E.P.T.*	$0.18	$0.17
Incl. ref. E.P.T.	0.30	0.22
Paid	0.10	0.10
*Based on shares held by the public.		

CONDENSED BALANCE SHEET

As at Sept. 30:	1944	1943
Cash & Dom. bds.	$ 267,705	$ 206,858
Accts. rec.	473,074	270,709
Inventories	1,683,224	1,010,279
Total curr. assets	2,424,003	1,487,846
Misc. assets▲	190,087	92,848
Invest. in subsids	200,000	209,411
Fixed assets*	417,350	356,169
Goodwill, etc.	45,001	45,001
Total assets	3,276,441	2,191,275
Bank loan	992,620	283,327
Accts. & tax pay.	638,185	374,001
Reject. indust. alc. res.	150,000	150,000
Total curr. liab.	1,780,805	807,328
Purch. contract	......	10,927
Cont. res.	50,144	50,144
Capital stock†	1,006,550	1,007,039
Earned surplus▲	391,692	268,078
Capital surplus	47,249	47,759
*After depr. of	1,007,114	860,707
▲Incl. refund. E.P.T.	107,900	40,000
Working capital	643,198	680,518

Canada Vinegars

Sales for Canada Vinegars for the year ended Nov. 30, 1944 showed an increase over the preceding year. The new Vancouver plant is expected to come into operation sometime during 1945. A change in Government wartime regulations allowed the company to pack a limited quantity of Allen's apple Juice in tin containers for civilian consumption this year.

Dividends were increased to 15c. for the last quarter of 1944 and the bonus from 10c. to 15c. bringing the amount paid per share in 1944 to 60c.

CONS. INCOME ACCOUNT

Years Ended Nov. 30:	1944	1943
Net earnings	$212,132	$210,221
Less: Deprec.	70,973	72,779
Income taxes	59,276	56,292
Net profit	81,883	81,150
Less: Dividends	55,200	46,000
Spec. prop. res.	14,912	18,000
Surplus for year	11,771	17,150
Earnings per Share and Dividend Record:		
Common: Earned	$0.89	$0.88
Paid	0.60	0.50

CONDENSED CONS. BALANCE SHEET

As at Nov. 30:	1944	1943
Cash & Dom. bds.	$ 185,407	$ 85,005
Accts. rec.	126,394	154,412
Inventories	393,987	350,219
Total curr. assets	705,788	589,636
Fixed assets▲	1,031,576	1,104,085
Goodwill	24,001	24,001
Total assets	1,761,365	1,717,722
Accts. & tax. pay.	170,920	135,358
Other curr. liab.	48,148	51,838
Total curr. liab.	219,068	187,196
Spec. prop. res.	43,000	43,000
Capital stock	1,322,503	1,322,503
Surplus	176,794	165,023
▲After depr. of	921,804	862,953
Working capital	486,720	402,440

British Mortgage

The British Mortgage & Trust Corp. in its annual statement for 1944 reports net profit of $90,728, up from $87,604 last year. Liquid assets now equal deposits, the president states. Reserves have been maintained and even increased throughout the war year.

	1944	1943
Liab. to public	$7,305,166	$6,731,835
Shareholders' equity	1,896,179	1,885,450
Total▲	9,201,345	8,617,285
▲Secured by:		
Mortgages	3,375,824	3,678,639
Realty*	222,158	369,340
Liquid assets♦	5,603,363	4,569,307
*Includes office premises.		
♦Includes bonds and stocks.		
Estates account	934,222	820,857
Earned per share	$9.07	$8.76
Paid	8.00	8.00

National Trust

The net profit for National Trust for 1944 after provision for taxes was $298,608 compared with $288,389 in 1943. During the year reserve fund was increased to $2,000,000 by transfer of $250,000 from surplus. Year-end earned surplus amounted to $454,235.

	1944	1943
Liab. to public	$22,343,934	$20,090,395
Shareholders' equity	5,454,235	5,345,628
Total▲	27,798,169	25,436,023
▲Secured by:		
Mortgages	6,839,713	8,025,318
Realty*	1,051,211	1,896,725
Liquid assets♦	19,907,245	15,513,979
*Includes office premises.		
♦Includes bonds & stocks.		
Estates account	305,080,698	296,364,566
Earned per share	$9.95	$9.61
Paid	8.00	8.00

Victoria Trust

The Victoria Trust & Savings Co. reports increased earnings for 1944, and a rise in net profits to $52,773 from $49,412 for 1943. Collections improved throughout the year and the company's liquidity is now at its highest point in history, according to the president's annual report. During the years 1943 and 1944 western mortgages were reduced 40%.

	1944	1943
Liab. to public	$7,999,636	$7,664,827
Shareholders' equity	1,427,100	1,422,727
Total*	9,426,736	9,087,554
*Secured by:		
Mortgages	5,002,080	5,701,400
Realty♦	150,818	176,711
Liquid assets▲	4,273,838	3,209,443
♦Includes office premises. ▲Includes bonds and stocks.		
Estates account	1,877,057	2,035,795
Earned per share	$6.52	$6.10
Paid	4.00	4.00

Midland Loan

In the annual financial statement of Midland Loan & Savings Co., Port Hope, Ont., the president states there is no real estate on hand for sale and that all mortgage investments are confined to Ontario. Net profit for 1944 was $36,863 compared with $33,845 in 1943.

	1944	1943
Liab. to public, etc.	$2,477,538	$2,425,461
Shareholders' equity	911,170	901,647
Total▲	3,388,708	3,327,108
▲Secured by:		
Mortgages	2,357,599	2,367,959
Realty*	1,000	4,740
Liquid assets♦	1,030,109	954,409
*Includes office premises.		
♦Includes bonds & stocks.		
Earned per share	$1.02	$0.94
Paid	0.80	0.80

Canada Permanent Mtge.

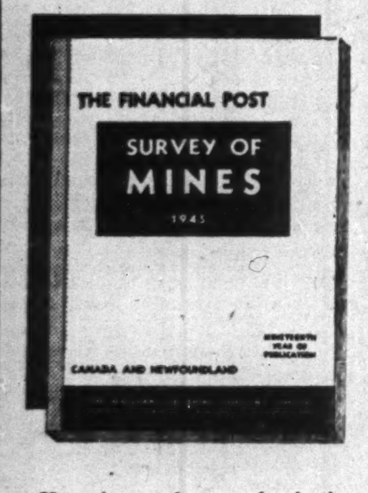
Canada Permanent Mortgage Corp. in its annual statement for 1944 announced its investment in Dominion of Canada bonds as almost double that of last year at $12,501,766. Liquid assets held by the company amounted to over 95% of deposits. Real estate held for sale was reduced to $808,548 from $1,182,181 during the year. Net profits were $705,609 in 1944 compared with $701,295 in 1943.

	1944	1943
Liab. to public, etc.	$52,257,023	$49,115,891
Shareholders' equity	12,500,308	12,454,699
Total▲	64,757,331	61,570,590
▲Secured by:		
Mortgages	39,247,583	42,036,194
Realty*	4,089,048	4,478,681
Liquid assets♦	21,420,700	15,055,715
*Includes office premises.		
♦Includes bonds & stocks.		
Earned per Share	$10.08	$10.02
Paid	8.00	8.00

Wasa Lake Gold Mines advises the Toronto Stock Exchange that balance of Apr. 11, 1944, agreement with Walter H. Woods, comprising option on 250,000 shares has been exercised. There are no further options outstanding. Issued capital is 3,677,903 shares.

MINE INVESTORS

Here it is!



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Public Urged to Debate Questions Affecting their future well-being

"Problems offer stirring challenge to all Canadians", said Mr. V. R. Smith, President, Confederation Life Association, at Company's 73rd Annual Meeting in Toronto.

The year 1944 was in all respects an outstanding one for Confederation Life Association, President V. R. Smith reported to shareholders and policyowners at the 73rd annual meeting. Income reached its highest level, with marked increases in the volume of new business and business in force. Because the interest rate on invested assets has fallen a full 1% in 10 years, the Association has followed a very conservative policy in handling its surplus position, and it now stands at $12,969,011, an all-time peak. Of this sum, $4,500,000 has been marked for war contingencies.

Fundamental problems affecting their future offer a stirring challenge to all Canadians, said Mr. Smith. "But are our people really thinking about these problems?" He suggested that the lusty arguments of cracker barrel days in the country store might well be taken up in Board of Trade and other gatherings. "It is wise to remember that as the business man moves out of the field of community and national service, a vacuum is created and the crackpot and bureaucrat move in. Therefore the business man cannot afford to relax active interest in national affairs."

Re-allocation of the responsibilities of the taxing powers of the Dominion and the Provinces was regarded by Mr. Smith as the foremost of Canada's post-war domestic problems. He foresaw more tangible results from the next Dominion-Provincial conference than the last, if a worthwhile effort is made to have the problem and its solution discussed by all citizens. It should be a matter of argument "whenever and wherever people gather to discuss questions of moment."

Mr. Smith also stressed the supreme importance of "international" trade—rather than just export trade—and Canada's ability to share in it. "We must expect to import if we hope to export," he stated. "But do people understand that the national income rises and falls directly with the volume of our exports? Is the fact that Canada is now a creditor nation being emphasized with all its implications? Does each one of us understand that in the long run, when we are a creditor nation, if we wish to export, we must import at least an equal amount of goods and services?

"The solution of national problems is not a matter for public men alone. Such questions must be understood by all classes, by farmers and factory workers, by men and women, young and old."

Advising analysis of such slogans as "full employment," Mr. Smith said the people should ask themselves, among other things, if, to achieve "full employment," they are willing to accept such measures of government control as "freezing" of wages and salaries—and of workers in their jobs. Are we willing to continue in employment after the war those in their early 'teens, those who came back to work out of retirement and those who would normally retire, or women to the same degree as at present?

Declaring that the various so-called social security measures proposed may be both desirable and advisable in their humanitarian aspects, Mr. Smith urged, however, the necessity of recognizing their "limitations," and warned that rather than producing national prosperity, they may produce a form of "national idleness." Present plans and promises have already committed the federal government to a post-war budget of approximately 2½ billion dollars, he said, and to each citizen this means that for every dollar he paid in taxes before the war he will be expected to pay $5 or $6 after the war.

Mr. Smith considered 250 millions annually a "very nebulous" estimate of the cost of proposed Health Insurance legislation, stating "I am sure the cost will be more like 500 millions, almost equal to the total pre-war federal budget." He felt it could not be called "insurance" since it purported to provide every citizen with complete medical, nursing and hospital service, and citizens in certain age groups with dental care. He wondered whether the bill should not be called, instead, a measure to socialize all medical, dental, nursing and hospital services.

"Should social services of this kind be made available at the federal, the provincial or the municipal level?" This was but one of the questions people should discuss and decide, said Mr. Smith. "The federal plan may be more efficient in its conception and administration, but may not the municipality, guided by the province, do better? The municipality may lose something in efficiency, but does it not gain more from the closeness of its contact and the sympathy with which it deals with the problems of its citizens?"

"Does each citizen remember that in undertaking such schemes, in addition to taxes, he will be called upon for contributions, deducted in many cases from his pay envelope?" Mr. Smith posed as a final question. "Is it generally realized that to provide for the cost of these various proposals it makes little difference whether funds are provided by deductions from the pay cheque as contributions, or by the state as taxes?

"These are but a few of the problems that face us in the post-war world. They challenge our imagination and require our straight thinking. Are we meeting the challenge?"

THE WEEK'S QUOTATIONS

Quotations here listed are the official stock exchange prices for listed stocks, including curb market quotations. For unlisted stocks, quotations by unlisted dealers are given. The Financial Post cannot accept any responsibility for these quotations.

Montreal and Toronto
Week ending Monday close

Winnipeg and Vancouver
Week ending Saturday close

WEEK ENDING JANUARY 23

* Participating. ▲ On arrears. † Paid in 1943. ▼ Paid or payable in 1944 to date. ‡ Net after corporate income tax.

Mining Stocks
Week Ending Jan. 23

Oil Stocks

Range 1944-45 High	Low	Div. Rate	Jan. 20 Yield %	Company	Sales	Last Jan. 16	Week Ending Jan. 23 High	Low	Close
.14	.07	.....	....	Acme G.&O.	9,500	.09	.08½	.08	.08½
.15	.10	.....	....	Alta. P. Cons.	2,588	.13	.13	.10	.10
1.79	1.10	.....	....	Ajax	11,200	1.50	1.68	1.50	1.60
.07	.03	.....	....	Anaconda	500	.07	.06	.06	.06
.83	.58	▼.05	....	Anglo Can.	14,800	.78	.78	.75	.76
1.40	.60	.....	....	Br. Dom.	37,200	.69	.70	.64	.64
2.24	1.70	.10	....	Calg. & Ed.	1,850	1.80	1.80	1.75	1.76
.25	.18	.....	....	Calmont	1,575	.20	.22	.20	.20
.36	.19	.....	....	Commoil	2,000	.25	.23	.23	.23
.41	.20	.....	....	Common P.	300	.40	.41	.41	.41
.41	.25	.....	....	Dalhousie	850	.34	.32	.28	.32
.18	.12	.....	....	Davies Pete	2,100	.13	.14	.12½	.12½
.15	.07	.....	....	East Crest	94,700	.14	.15	.13	.13½
.15½	.09	.....	....	High Sarcee	2,500	.10½	.11	.11	.11
3.70	2.19	.....	....	Home	4,550	3.25	3.30	3.20	3.20
.05	.03	.....	....	Homestead	9,500	.04½	.04½	.03½	.04½
.23	.10	.....	....	MacLeod	1,275	.14½	.13½	.12	.12
.08½	.05	.....	....	McD. Segur	3,100	.08½	.08½	.08	.08½
.07½	.05	.....	....	Mercury	500	.07½	.07½	.07½	.07½
.59	.14	.....	....	Mid. Cont	120,200	.21½	.22	.17	.19½
.09½	.06	.....	....	Mill City	100	.07½	.08	.08	.08
.24	.16	.....	....	Model	100	.17	.17	.17	.17
.11½	.04	.....	....	Nordon	18,000	.08	.10	.07½	.10
.05	.02	.....	....	Oil Select	500	.04	.03½	.03½	.03½
.70	.37	.....	....	Okalta	1,000	.48	.44	.40	.44
.20	.02	.....	....	Pacalta	6,800	.13	.13	.12	.13
1.07	.40	.....	....	Pacific Oil	95,100	.52	.61	.50	.52
.70	.43	.....	....	Pac. Pete	2,000	.60	.58	.56	.58
.06½	.03	.....	....	Royal Can.	3,000	.03½	.03½	.03½	.03½
22.00	17.50	1.00	....	Royalite	400	20.25	20.50	20.00	20.25
.04½	.02½	.....	....	South End	5,000	.03½	.04	.03	.03
.15	.06	.....	....	Spooner	100	.15	.12	.12	.12
.08	.06	.....	....	Sunset	1,000	.07½	.07	.07	.07
.12	.04½	.....	....	United Oils	2,000	.09½	.09½	.09	.09½
.26	.06	.....	....	Vermilata	1,107,400	.23	.23	.12	.17

* Yield including bonus to date. † Paid in 1943. ▼ Paid or payable in 1944

Volume of Stock Sales

	Montreal	Toronto	Vancouver
	—Total Volume—		
Jan. 23	51,600	867,000	......
Jan. 22	66,000	993,000	......
Jan. 20	38,000	621,000	......
Jan. 19	56,000	857,000	137,450
Jan. 18	60,600	1,322,000	168,854
Jan. 17	69,900	1,334,000	171,830

STOCKS NOT TRADED THIS WEEK

	Div. rate $	Last sale	Jan. 23 Bid	Ask
Wood, A&J p.	7	110	110	112
Zellers pref.	1.50	29½	..	..

*Interim divdiend paid in 1943.
▲On arrears. †Paid or payable in 1944 to date.

Mining Stocks

	Div. rate	Last sale	Bid	Ask
Beaufor	...	.06½	..	..
Bouscadillac G.M.	...	.08	.07½	.08
Brazil Gold	...	.03½	..	..
Bunker Hill	...	.03½	.03½	.05
Camp Bird	...	.07	.06	.06½
Cent. Manitoba	...	.07	.06½	.07½
Century Mining	...	.00½	.06	.13
Coast Copper	...	.75	.65	1.00
Forty-Four	...	.61	.50	..
George Copper	...	.18	.20	..
Golconda	...	.09	.08	.09
Grandview	...	.12	.13	.14
Home Gold	...	.00¾	..	..
Indian Mines	...	.02¾	..	..
Inter. Mining	4.90	4.75	..	..
Knee Lake	...	.01	..	.02½
McGillivray C.	...	.23	..	.23
McVitttie Graham	...	.23	..	..
Mentor Explor.	...	.25	.30	..
Moffatt Hall	...	.08	..	..
Placer Devel.	...	13.00	13.50	..
Prospectors Air's	...	.35	.31	.44
Quebec Gold	...	.55	.47	.60
Red Cloud	...	.01	..	.02
Reeves McDonald	...	.25	.22	.24
Rice Lake	...	.00¾	.01	.02½
Sudbury Basin	...	4.35	..	..
Sunlock	...	.27	.10	..
Wendigo	...	.30	..	..
Winnipeg R. Tin.	...	.02	.00½	.01½

Oil Stocks

	Div. rate	Last sale	Bid	Ask
Brown Oil	...	.11	..	.12
Foothills	...	1.35	1.22	1.40
Grease Creek	...	.02½	.01	..
Madison	...	.02	..	..
National Petrol.	...	.12½	.10	.14
South West Pete	...	.17	.17	.25
Texas Can.	...	1.25	1.30	1.50
Trans. Alta.	...	.12	..	..
Vanalta	...	.09½	.08½	.09½
Vulcan	.01	.18	.17	..

Company Meetings

1945	Company	Place
Jan. 23	Brandram Henderson	Montreal
Jan. 23	Confederation Life Ins.	Toronto
Jan. 24	Kelvinator of Canada	London
Jan. 25	Continental Life Ins.	Toronto
Jan. 25	Can. Food Products	Toronto
Jan. 25	Excelsior Life Insur. Co.	Toronto
Jan. 25	Guaranty Trust Co.	Windsor
Jan. 26	Foreign Pr. Securities	Montreal
Jan. 26	Crown Life Insurance	Toronto
Jan. 26	Western Life Assce.	Hamilton
Jan. 30	Canada Vinegars Ltd	Toronto
Jan. 31	Can. Car & Foundry	Montreal
Feb. 1	Mutual Life Assce. Co.	Waterloo
Feb. 2	Can. Perm. Mortgage	Toronto
Feb. 3	Biltmore Hats	Guelph
Feb. 5	Equitable Life Ins.	Waterloo
Feb. 5	Federal Fire Insurance	Toronto
Feb. 5	Wellington Fire Ins. Co.	Toronto
Feb. 6	Commercial Life Assce.	Toronto
Feb. 6	Great-West Life Assce.	Winnipeg
Feb. 7	Belding-Corticelli Ltd.	Montreal
Feb. 7	Cons. Fire & Cas. Ins.	Toronto
Feb. 7	Toronto General Trusts	Toronto
Feb. 7	Toronto Mortgage	Toronto
Feb. 8	Candn. General Ins.	Toronto
Feb. 10	Imperial Insurance Co.	Toronto
Feb. 12	Montreal C. & D. Sav.	Montreal
Feb. 13	Canadian Fire Insur.	Winnipeg
Feb. 13	Can. Indemnity Co.	Winnipeg
Feb. 13	Royal Trust Co.	Montreal
Feb. 13	Sun Life Assurance	Montreal
Feb. 14	Brockville Tr. & Sav.	Brockville
Feb. 14	Huron & Erie Mortgage	London
Feb. 14	Northern Trusts Co.	Winnipeg
Feb. 14	Ontario Loan & Deb. Co.	London
Feb. 19	Canada Cement Co.	Montreal
Feb. 22	Bell Telephone Co.	Montreal

Corporation Bonds
(Supplied by Investment Dealers' Association of Canada)
Jan. 23, 1945

Public Utility Issues:	Int. Rate %	Due	Bid	Ask.	Prev. Week Bid
▲Alg. Cen. H.B.R.	5	'59	67½	70½	68½
†Assoc. Tel. & T.	5½	'55	108½	110½	108½
B. C. Power	4½	'60	102½	104½	102½
B. C. Tel.	4½	'61	107	109	107
†Calgary Pwr.	5	'60	114½	116½	114½
Do.	5	'64	105	107	105
†Can. Nor. Pwr.	5	'53	110½	112½	110½
*Gatineau Pr. A	3¾	'69	114½	116½	113½
▲Do., B	3¾	'69	104½	106½	103½
Gt. Lakes Pwr.	4½	'56	103	105	103
Do.	5	'57	102½	104½	102½
*Int. Hydro-El.	6	'44	83½	86½	83
L. St. Law. Pwr.	5	'55	101	104	101
Macl'n-Que. Pr.	4	'59	102½	104½	103
Mtl. L. H. & Pr.	3½	'56	101	103	101
Do.	3½	'73	99½	101½	99½
Do.	3½	'63	99½	101½	99½
†Mtl. Tramways	5	'51	105½	108	105
†Do.	5	'55	99	101½	99
Nat. Lt. & Pwr.	4½	'61	97	100	97
N. S. Lt. Pr.	4	'57	103	105	103
Ott. L. H. & P.	4	'57	102½	105	102½
Ottawa V. Pwr.	5	'59	102½	...	102½
†Power Corp.	4½	'59	111	113	110½
Quebec Pwr.	4	'62	102½	104½	102
*Sag. P. "A" a	4½	'66	114	117	114
▲Do., B	4½	'66	105	108	105
Shaw. W. & Pr.	4	'61	103	105	103
†Do.	4½	'70	112½	115	113
Do.	4	'69	104	106½	104
Union Gas	4½	'50	101½	103½	101½
†United Secs.	3	'52	97	100	96½
†Wpg. El. ser. A	5	'65	100½	103	100½
Do B	5	'65	100½	102	100
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	111	113½	106
Do., C.O.D.	5	'53	111	113½	106
Acadia Sugar	4½	'55	101½	103	101½
Do.	6	'54	102½	105	102
†Alta. Pa. Grain	6	'46	104	...	104
Algoma Steel	5	'48	102	104½	102
Atlantic Sugar	4	'51	101½	104	101½
†B. C. Pulp & P.	6	'50	104	107	103½
‡†Do.	7	'50	108	...	107½
*Brown Co.	5	'59	97	99½	96½
Burns & Co.	5	'58	98	101	98
Canada Cement	4½	'51	102½	104½	102½
Can. Electric	4½	'65	101	103½	100½

Corporation Bonds Cont'd

	Int. Rate %	Due	Bid	Ask.	Prev. Week Bid
Can. Paper	4½	'52	101½	...	100½
Can. Steamship	5	'57	103	105	103½
*Can. Int. Paper	6	'49	113	...	112½
‡Can. Locomot	6	'53	104	106	108½
			(Ex. Pay)		
‡†Candn. Vickers	6	'47	100	103	100
C. P. R.	3½	'51	103½	105½	103½
Do.	4	'49	105½	107½	105½
†Consol. Paper	5½	'61	107½	109½	106
Dom. Coal	4½	'52	101½	103½	101½
Dom. Scott Inv.	4	'52	101	...	100
Dom. Stl. & C.	6½	'55	107½	110	107½
Dom. Woollens	6	'53	94½	97	94½
†Donnacona Pap.	4½	'56	102½	104½	102½
*Dryden Pap.	6	'49	106	109	106
Famous Players	4½	'51	102	104	102½
†Federal Grain	6	'49	106	...	106
*Great L. Paper	5	'55	109	111	108½
*Gurney Fdry.	5½	'49	100	103	100
†Gypsum Lime	5½	'48	107	109	106½
Ham. Cotton	3	'44-'53	100	103	99
Inter-City Bak.	5½	'48	100½	...	101
Indust. Accept.	4	'52	100½	...	100½
Ins. Exch. Bldg.	3	'51	64	67	64
*Inter. P. Nfld. (Bowater's P&P)	5	'68	109	111	108½
*Inv. Bond & Sh.	5	'47	86½	89½	86½
†Kingston Elev.	6	'50	109	111½	107½
Lake St. J. P.	5½	'61	102½	104½	102½
Do.	5	'61	96½	99	96½
Legare	6	'61	100	103	99½
Maple L. M.	5½	'58	101	103	101
Man. Sugar	5	'60	106½	108½	106½
Massey-Harris	4½	'54	102½	104½	102½
McColl-Fron.	4½	'49	102½	104½	102½
McCormicks	4	'52	101½	103½	101½
Do.	4½	'52	101½	103½	101½
Mercury Mills	5	'59	100½	103	100½
Mersey Paper	5	'57	100½	...	100½
†Do.	6	'49	100½	...	100½
*M. & O. Paper	5	'60	114	116	114
Moirs Ltd.	6	'53	100½	...	100½
‡Mtrl. Drydocks	6	'48	96½	98½	97
Montreal Apts.	4	'54	85½	88½	85½
N.S. Stl. Coal	3½	'63	91½	94	91
Price Bros.	5	'57	103½	106	103½
*Prov. Paper	5½	'47	110½	...	110½
Reliance Grain.	4½	'52	99½	102½	99½
Rolland Paper	4½	'51	101½	104½	101½
Silv. Dairies	6	'66	100½	103	101½
Simpsons Ltd.	3½	'60	100½	103	100½
Smith, Howard	4½	'51	102	...	102
United Amuse.	5	'56	102	...	102½
United Corp.	4	'58	101	103	100
United Gr. Grs.	4½	'58	100	103	100
†Western Grain	5	'63	86	89	86

* Payable in Can. or U. S.
† Payable in Can., U. S. or U. K.
* Payable in U. S.
▲ Payable in Canada only.
‡ Traded without accrued interest.
▲ Payable in Can. or U. K.

Government Bonds
Jan. 23, 1945
(Supplied by Investment Dealers' Assoc. of Canada)

%	Due	Bid	Ask.
Victory Loans:			
3	June 1951	104¾	105½
3	Mar. 1954	103	103¾
3	Nov. 1956	101¾	102¾
3	May 1957	100¾	101¾
3	Jan. 1959	100	100¾
3	June 1960	99¾	100¾
Dom. of Canada Bonds			
2	Mar. 1945	99¾	100 2/5
2	Dec. 1946	100¾	101½
4½	Feb. 1946	103½	103¾
2½	Mar. 1948	101 2/5	102
1¾	May 1946	100½	101
3½	June 1949	102 1/5	103¾
3½	Nov. 1951	104 1/3	105
4	Oct. 1952	105¾	106½
3½	Feb. 1952	105½	105½
3	Oct. 1952	102¾	103½
3	June 1955	101¾	102½
4½	Nov. 1956	104 3/5	105½
4½	Nov. 1957	106½	107½
3	June 1958	100½	100¾
4½	Nov. 1958	107¾	108¾
4½	Nov. 1959	109 3/5	110 1/3
3½	June 1966	102¾	103 1/3
3	Perpetual	97	98
Dom. Guarant'd Bonds			
Can. Natl. Railways:			
3	Dec. 1950	100¾	101¾
3	Jan. 1959	99½	100¾
4½	Sept. 1951	124½	...
4½	Feb. 1956	128½	...
4½	July 1957	128¾	...
3	Feb. 1953	102	103
4¾	June 1955	129½	...
5	Feb. 1954	116½	117½
5	Oct. 1969	128	...
5	Feb. 1970	128	...
Can. Natl. W. Ind. S.S.:			
5	Mar. 1955	129½	129½
Grand Trunk Pacific Rly.:			
3	Jan. 1962	110½	112½
Provincial Govt. Bonds			
New Brunswick:			
4	Nov. 1947	111	113
3	Oct. 1951	98½	100½
3½	Aug. 1949	99½	101½
3½	June 1956	100¾	102¾
4½	Apr. 1961	121	123
5	Jan. 1960	126	128
Nova Scotia:			
3	Jan. 1952	99½	101½
3½	June 1956	100¾	102¾
3½	Nov. 1950	102½	104½
4½	Sept. 1952	116	118
4½	Nov. 1960	124	126
5	Mar. 1960	129	131½
Ontario:			
2½	May 1945	99¾	100¾
3	Apr. 1948	100¾	102½
3	Nov. 1950	101½	103
3½	Nov. 1951	102¾	104½
3½	May 1955	102½	104
4	June 1962	122	124
4½	June 1950	109½	110¾
4½	Jan. 1962	130	132
5	Oct. 1948	108¾	110½
5	Dec. 1960	134	137
5½	July 1946	104½	105¾
Ont. Hydro Commission:			
3	Aug. 1943	100¾	102½
3½	Feb. 1953	102½	104
3½	Apr. 1947	102½	103¾
Prince Edward Island:			
4	Mar. 1954	103	105
Quebec:			
3	Nov. 1947	100½	101¾
3½	Mar. 1948	100½	102½
3½	Mar. 1959	101½	103½
4	Nov. 1952	103½	105½
3¾	Feb. 1955	102½	104½
4½	Aug. 1958	109¾	111½
4½	Jan. 1963	113¾	116½
Alberta:			
4½	Oct. 1956	95	96
4	Dec. 1954	92	94
5	Oct. 1959	95½	96½
5½	Apr. 1952	96	99
6	Mar. 1947	93	96
British Columbia:			
4	Dec. 1957	116½	118¾
4½	Jan. 1961	118½	120¾
4½	Oct. 1953	119½	121¾
5	Apr. 1954	123¾	126½
5½	Feb. 1945	99¾	101½
6	Feb. 1947	105	106½
Manitoba:			
4	Dec. 1957	111	113¾
4½	Dec. 1956	115½	118
5	Dec. 1959	120	123
5½	Oct. 1955	115½	118
6	Apr. 1947	104	106½
Saskatchewan:			
4	Sept. 1954	84	87
4	Nov. 1960	83½	86½
4½	Oct. 1951	96½	99½
4½	Mar. 1960	90	93
5	Aug. 1956	92	95
5½	Oct. 1952	95½	98½
6	Mar. 1952	96½	99½

*Payable N.Y.

Unlisted Stocks
(Compiled from quotations provided by Plaxton, McDonnell & Co., Kamm, Garland & Co., Ltd. and Kippen & Co. Inc.)
January 22nd, 1945

	Bid	Asked
Allens London Theatre pf.	53.00	....
Do., Toronto Units	35.00	40.00
Anglo Can. Telephone A.	9.75	10.75
Atlas Steels common	38.50	40.50
Atlas Steels 1st pfd.	106.00	108.50
British Mortgage & Trust.	138.00	....
B. C. Sugar	85.00	87.50
Canada Machinery com.	7.00	8.00
Canada Paving 1st pfd.	3.00	4.75
Canadian Airways	3.75	....
Canadian Fairbanks com.	26.00	....
Can. Ingersoll Rand	62.00	64.00
Can. Investors Corp.	6.50	7.75
Canadian Motor Lamp A	8.00	9.00
Can. Western Lumber com.	1.40	1.75
Can. West. Nat. Gas pfd.	106.00	108.50
Capital Trust Co. $100 par	42.00	....
Capital Wire Cloth com.	5.50	7.50
Capital Wire Cloth pfd.	21.50	....
Cawthra Apts. Units	3.50	5.00
Chase, A. W., Units	26.50	29.50
Colonial Steamships com.	76.00	....
Commercial Finance com.	8.00	....
Commercial Life 10% paid	7.00	9.00
Commonwealth In. Corp.	3.10	3.30
Confederation Life Assoc.	130.00	140.00
Continental Life 20% pref.	31.00	34.50
Crown Trust Co.	61.00	....
Dom. Can. Gen. Insurance	12.50	14.50
Dover Industries Ltd.	8.00	9.00
Dunlop Tire pfd.	26.00	27.50
Eastern Steel Prod. pfd.	22.00	23.50
Empire Life Ins. 25% paid	14.50	16.50
Federal Foundries & Steel Co., new common	2.00	2.75
Foreign Power Sec. pfd.	9.00	11.00
Galt Brass com.	16.00	20.00
Goderich Elevator & Trans.	12.50	14.00
Great Lakes Power pfd.	115.00	118.00
Great West Life	280.00	300.00
Guardian Realty pfd.	23.00	....
Guaranty Co. of N. Amer.	200.00	....
Guelph and Ont. Svgs. $50.	52.00	55.00
Gurney Foundry pfd.	2.50	3.25
Hart Battery com.	5.00	7.00
Inter. Utilities $3.50 pfd.	55.00	58.00
Lambton Loan & Inv. $50.	44.00	....
Loblaw Groc. Inc.	13.50	14.50
London & West. Trust $100	48.00	....
Manufacturers Life Ins.	225.00	270.00
Midland Loan & Svgs. $10	14.00	17.00
Monarch Life Assce. 20%	48.00	....
Monarch Mtge. units	2.00	2.75
Montreal Island Power pf.	38.00	42.00
Montreal Trust Co.	66.00	73.00
Morrison Brass pfd.	11.00	13.50
National Drug & Ch. com.	4.00	5.25
National Hosiery pfd.	3.50	4.50
National Hosiery com.	2.00	....
New Brunswick Telephone	12.00	15.00
Northern Ont. Power pf.	106.00	111.00
Ont. Tobacco Plant units	17.00	22.00
Paramount Kitchener units	53.50	....
Premier Trust Co. $100	54.00	....
Provincial Bank of Canada	11.50	12.50
Provincial Paper pfd.	107.00	109.00
Prudential Trust	3.00	5.00
Ruddy, E. L., pfd.	104.50	....
St. John Drydock pfd.	98.50	102.00
Sawyer Massey com.	1.05	....
Seiberling Rubber com.	4.00	6.00
Sincennes McNaughton T.	2.00	2.75
Sherbrooke Trust	130.00	....
Sovereign Life Assce. 25%	26.50	30.00
Standard Fuel 6½% pfd.	90.00	95.00
Standard Fuel com.	2.00	....
Sterling Trust	81.00	....
Sun Life Assce.	360.00	370.00
Third Can. Gen. Inv.	3.00	3.30
Toronto Carpet pfd.	78.00	....
Toronto General Ins.	5.25	6.50
Trusts & Guarantee $100	55.00	....
United Farmers Co-op	3.00	4.00
United Steel A pfd.	25.50	26.75
Victoria Trust & Svgs.	92.00	....
Waterloo Mfg. com.	6.00	....
Wentworth Radio com.	1.25	2.00
Western Assurance com.	53.00	56.00
Western Grain com.	.65	1.15
Western Grain pfd.	35.00	38.50
York Trading com.	5.25	6.75

Unlisted Mines
Approximate quotations, 4 p.m., Jan. 23, subject to confirmation:

	Bid	Ask
Alba River (new)	.24	.26
Alcan	.10	.12
Aljo	.04½	.06
Amal Kir	.23	.26
Ama Lar	1.15	1.20
Ang Rou	.78	.83
Anna'que	.04	.06
Anoki	.08	.10
Apex Oil	.07½	.08½
Arntfield (old)	.05	.07
Arntfield (new)	.23	.25
Audley	.34	.37
Aurora Ye	.25	.28
Auterra	.08	.10
Bar Larder (new)	.05	.06
Blondor	.30	.32
Br Breest	.02½	.03½
Bravo	.22	.25
Brig R L	.21	.23
Brock	.12	.14
Burley Po	.03½	.04½
Calder Bo	.06	.08
Camlaren	.13	.15
Camp RL	.45	.47
Carricona	.07	.09
Cen Man	.05	.07
Citralam	.14	.16
Cock R L	.04½	.05
Columbier	.18	.21
Con Chib	.13	.15
Crow Pat	.35	.38
Deri R L	.05½	.07
De Santis (new)	.07	.10
Dom Maj	.12	.14
Dona Pat	.05½	.06½
East Amp	.30	.33
Eastward	.27	.29
Elder M	.36	.39
Electra	.07	.09
Erin Kirk	.08	.10
Geral L L	.03½	.04½
Goldora	.15	.17
Goodrock	.06	.08
Gt Bend	..	.10
Gt L Iron	.04	.06
Harp Mal	.07½	.08½
Hayes Cd	.02	.03
Head R L	.40	.43
Heva Cad	.15	.17
Highridge	.08	.10
Homer	.23	.25
Hosco	.22	.24
Hoyle n'w	.13	.15
Hugh Mal	.17	.19
Hugh P P	.14	.16
Jack Yell	.30	.33
Kamlac	.36	.39
Kayrand	.25	.27
Laguerre	.18	.20
Lk Expa	.23	.25
Lar-Add	.05	.07
Larder U	.09½	.11
Lavalie	.08	.10
Legardo	.05	.06
Lynx	.59	.62
Magn Con	.39	.41
Major Oil	.24	.26
Manterre	.24	.26
Marbenor	.23	.26
Marquette	.05	.06
Mar Bird	.06	.07
Mar-McNe	.26	.29
Mary Ann	.06	.09
Marion R	.10½	.12
Mat Con	.27	.30
Mate Yell	.45	.48
Metalore	.04½	.06
Mica of C	.07	.09
Moffatt H (new)	.04	.05
Mohaw P	.09	.11
Murbell	.06	.09
Mylamaque McCu RL	.16	.18
(new)	.16	.18
McManus	.06½	.08
Nat Mal	.42	.45
Naybob	.04	.05
New Aug	.14	.16
Nib Yell	.27	.29
Nicholson	.10	.12
Nick Off	1.75	..
New Mal	.07½	.09
Norbeau	.60	.70
Norbenite	.18	.20
Norseman	.07½	.09
Nortyne	.06	.08
Novelle P	.20	.22
Obalski	.08½	.11
Obaska	.54	.60
Oklend	.06½	.07½
Olivet	.10	.12
Opemiska	.07	.09
Orpit	.12	.13
Ortona	.25	.27
Parbec	.15	.18
Pascalis	.36	.40
Pelangio	.08	.09
Pontiac R	.20	.23
Poona Gld	.09	.11
Porcupine	.13	.15
Presdor	.04½	.05½
Privateer	.40	.43
Quebec M	.42	.45
Rajah R L	.06	.08
Rambull	.12½	.14
Rand Mal	.38	.40
Raymond	.15	.17
Rebair	.52	.55
Redwood	.10½	.11½
Ritoria	.12	.14
S.A.G.A.	1.00	1.10
Sheldon	.24	.26
Skyn Lk	.04½	.05½
Stadacona	.67	.70
Tiffany	.14	.17
Tobico	.04½	.05½
Tombill	.18	.20
Tovarich	.03½	.04½
Union Min	.14	.17
Univ Pete	..	.06
Wesley	.02½	.04½
West R L	.11½	.12½
West Shor	.09	.11
Winches	.14	.16
Wingait	.10	.12
Yellowrex	.60	.63
Y David	.33	.35

Significant Investors' Index Numbers

	Mach and equip.	Pulp and paper	Milling	Oils	Textiles and clothing	Food and allied prod.	Beverages	Bldg. mater.	Power and traction	Banks	Total utilities	Total co's.
No. of Securities	10	7	4	4	10	13	8	16	14	8	18	100
(Base 1935-39=100)												
*1935 to date:												
High	134.5	234.4	149.7	123.7	136.2	118.3	178.5	153.4	146.8	118.2	145.0	134.1
Low	69.7	51.6	61.2	41.2	78.4	73.5	79.3	68.7	60.2	69.0	65.2	61.1
1944: Monthly Figures:												
Jan.	108.7	111.2	94.6	75.0	119.7	89.8	142.3	86.1	94.8	78.3	99.4	81.6
Feb.	108.7	114.8	96.1	74.0	122.4	93.1	141.4	86.5	97.3	79.1	102.7	82.9
Mar.	108.9	116.9	97.6	72.2	121.5	93.8	152.8	88.4	95.1	79.3	100.4	84.3
Apr.	106.6	109.0	86.5	70.0	118.3	93.0	149.2	87.3	92.0	78.4	97.0	79.3
May	107.0	112.3	96.4	70.4	118.8	92.8	152.1	86.8	91.2	78.0	97.5	79.9
June	113.0	118.5	97.3	73.4	122.5	94.6	150.9	93.3	95.6	78.1	102.0	83.7
July	116.2	134.0	100.3	76.6	125.2	101.2	154.3	98.9	93.9	79.2	104.3	87.5
Aug.	117.3	135.2	100.7	74.6	127.3	103.2	154.5	97.2	92.9	85.6	101.5	86.9
Sept.	114.4	129.6	102.1	72.9	127.9	102.4	150.9	95.3	89.9	87.1	98.1	85.0
Oct.	116.6	136.0	101.0	72.8	129.4	101.1	156.3	96.8	89.6	86.7	100.0	86.3
Nov.	116.7	137.5	101.9	72.9	130.7	101.4	166.7	97.3	91.8	86.6	100.5	86.0
1944: Weekly Figures:												
Dec. 7	118.7	144.6	103.4	72.2	132.9	104.2	167.8	97.4	96.7	87.9	104.5	88.3
Dec. 14	120.9	145.2	106.6	72.0	134.1	104.2	171.0	99.5	96.8	88.4	106.7	87.2
Dec. 21	118.9	145.7	107.2	71.4	132.4	104.2	165.4	98.2	96.1	87.9	104.7	88.3
Dec. 28	119.0	146.3	109.6	73.1	134.1	104.2	167.6	99.4	95.2	88.1	105.5	88.8
1945:												
Jan. 4	121.3	150.2	109.9	73.7	133.8	106.6	175.5	102.7	99.8	89.2	108.7	89.1
Jan. 11	123.2	152.0	110.5	74.5	136.0	104.1	178.5	103.2	101.6	89.8	110.2	90.3
Jan. 18	121.3	152.1	107.8	75.1	136.2	104.8	176.1	102.9	100.0	91.1	108.8	89.8

*High and low for years from 1935 to date inclusive are based on weekly figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
Jan. 23	132.90	114.04	73.16	26.85
Jan. 22	133.05	113.24	73.27	27.07
Jan. 20	133.35	112.85	73.02	27.23
Jan. 19	133.31	112.56	73.29	27.37
Jan. 18	133.94	112.86	73.55	27.56
Jan. 17	134.29	111.84	73.66	27.55
Month ago	130.52	106.09	71.78	27.44
Year ago	118.52	104.46	69.65	27.60
High 1944-45	135.01	114.60	77.15	29.61
Low 1944-45	116.63	99.54	67.37	25.17

Montreal Stock Exchange Average

	10 Util.	20 Ind.	30 Cmd.	10 Pprs.	15 Golds
Jan. 23	59.6	94.0	82.5	187.56	81.23
Jan. 22	59.4	94.5	82.8	188.61	81.19
Jan. 20	59.8	94.8	83.1	189.29	81.36
Jan. 19	59.7	95.1	83.3	189.52	81.43
Jan. 18	60.3	95.4	83.7	192.18	81.29
Jan. 17	60.4	95.3	83.7	192.46	81.05
Month ago	58.5	92.5	81.2	184.92	75.89
Year ago	55.3	76.4	69.4	129.72	79.31
High 1945	60.6	96.0	84.1	195.54	81.43
Low 1945	58.9	93.7	82.1	187.56	76.13

Wheat Prices

Winnipeg Grain Futures
Week of Jan. 23, 1945

Crop year from Aug. 1, 1944 High	Low		High for week	Low for week	Close Jan. 23
	Oats*				
.51½	.51½	May	.51½	.51½	.51½
	Barley*				
.64¾	.64¾	May	.64¾	.64¾	.64¾
	Rye				
1.21½	1.10	May	1.20¼	1.15¾	1.17
1.18⅝	1.01⅝	July	1.17	1.10¾	1.11¾
1.14¾	1.05½	Oct.	1.13½	1.05½	1.06⅞

*At ceiling.

Cash Quotations
For Week

	Jan. 23 High	Low	Prev. Week High	Low
Oats*				
2 C. W.	.51½	.51½	.51½	.51½
3 C. W.	.51½	.51½	.51½	.51½
Barley*				
1 Feed	.64¾	.64¾	.64¾	.64¾
2 Feed	.64¾	.64¾	.64¾	.64¾
Rye				
2 C. W.	1.16½	1.15	1.17¼	1.16⅝

*At ceiling prices.

Can Income Be Fixed For Building Trades?

AFL and CIO witnesses at Washington last week are reported agreeing that labor costs for house building can be reduced but differing sharply as to the possibilities of savings through a guaranteed annual wage for construction workers. They appeared before the Senate subcommittee on economic policy to ask backing for huge postwar home construction programs.

Boris Shishkin, AFL economist, saw little chance for important economies through an annual wage guarantee or through prefabrication of homes. But he thought some labor cost savings might be made as a result of wartime progress toward more economical construction methods. Harry Bates, head of AFL's Bricklayers and Masons union, said he considered a guaranteed annual wage impractical in the building industry.

From CIO housing committee chairman R. J. Thomas, United Automobile Workers president, came a contrary view. Said he: "Year-'round employment for the building worker would permit a guaranteed annual wage, increase his income and sense of security. These inevitably would increase his productivity; reduce unit cost." Thomas would achieve year-'round activity in the largely seasonal building industry by "reorganizing" it.

WEEKLY RECORD OF FINANCING IN CANADA

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS
OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

	Date Issued	—Sold To—	Rate	Due	Amount	Price	Yield
Municipal—							
City of Halifax, N.S.	Jan. 18	G. E. Leslie & Co. & Synd.	2½%, 3%, & 3½%	Jan. '46-65	$765,000	100.247	....
Bond Issues—							
United Amusement Corp.	Jan. 18	W. C. Pitfield & Co. & Synd.	2½%, 3% & 3½%	Feb. '46-54 & '65	1,250,000	100	....

Dividends Declared

	This payment $	Date payable	Date of record
Agnew-Surpass c.	.50	Mar. 1	Jan. 30
Do., 7% pr.	1.75	Apr. 2	Feb. 28
Aluminium	1.25	Feb. 1	Jan. 4
Anglo-Can. Tel. A	.15	Mar. 1	Feb. 9
Anglo-Can. Tel. pr.	.68¾	Feb. 1	Jan. 10
Ault-Wiborg pr	1.37½	Feb. 1	Jan. 15
Bank of Montreal	.15	Mar. 1	Jan. 31
Bank of N. Scotia	.25	Feb. 1	Jan. 16
Bank of Toronto	.25	Mar. 1	Feb. 15
Bathurst Pr. & Pap.	•.25	Mar. 1	Jan. 31
Beaver Lumber	•.50	Feb. 1	Jan. 10
Belding-Corticelli	2.00	Mar. 1	Jan. 31
John Bertram	.15&.15	Feb. 15	Jan. 31
B. C. Telephone 2 p.	1.50	Feb. 1	Jan. 17
Blue Ribbon 5% pf.	.62½	Feb. 1	Jan. 12
Caldwell Linen	.25	Feb. 1	Jan. 15
Do., 1st pref.	.38	Feb. 1	Jan. 15
Do., 2nd pref.	.20	Feb. 1	Jan. 15
Calgary Power	1.50	Jan. 31	Jan. 10
C. Bread 5% pr. B	.62½	Apr. 2	Mar. 10
Do., 6% pr.	1.50	Apr. 2	Mar. 10
Can. Bronze	.37½&.50	Feb. 1	Jan. 10
Do., 5% pr.	1.25	Feb. 1	Jan. 6
Can. & For. Secs.	.06	Feb. 1	Jan. 17
C. Celanese Rights	1.00	Mar. 15	Dec. 12
C. Cement 6½% p.	1.25	Mar. 20	Feb. 23
Can. South. Rly.	†1.50	Feb. 1	Dec. 26
Can. Bank Comm.	.15	Feb. 1	Dec. 30
Can. Converters	.75	Jan. 31	Dec. 15
Can. Food Prod.	.62½	Apr. 1	Feb. 28
Can. & For. Sec.	.06	Feb. 1	Jan. 17
C. I. Invest. 5% pr.	2.50	Mar. 1	Feb. 1
Can. Invest. Fund	.04	Feb. 1	Jan. 15
Can. Investors	.10	Feb. 1	Jan. 5
Can. Pacific 4% pr.	2%	Feb. 1	Dec. 29
Can. Packers A p.	.75	Apr. 2	Mar. 1
Do., B pf.	.25	Apr. 2	Mar. 1
Capital Trust	2.00	Mar. 1	Dec. 31
Celtic Knitting	.20	Feb. 5	Jan. 16
Coast Breweries	.03	Feb. 1	Jan. 13
Commoil	.00½	Feb. 28	Feb. 10
Consumers Glass	.50	Feb. 28	Jan. 26
Corr. P. Box 7% p.	1.75	Mar. 1	Feb. 1
Crown Cork & Seal	.50	Feb. 15	Jan. 22
Dairy Corp.	1.25&1.25	Apr. 1	Mar. 1
Dom. & Anglo. Invest. 5% pr.	1.25	Mar. 1	Feb. 15
Dom. Bank	.20	Feb. 1	Jan. 15
5% pfd.	†1.25	Feb. 1	Jan. 15
Dom. Fabrics	.20	Feb. 1	Jan. 15
Do., 1st pref.	.75	Feb. 1	Jan. 15
Do., 2nd pref.	.37½	Feb. 1	Jan. 15
Dom. Malting	.20	Feb. 1	Jan. 2
Do.	.20	May 1	Mar. 31
Do.	.20	Aug. 1	June 30
Do. 5% pf.	1.25	Feb. 1	Jan. 2
Dom. Oilcloth	.30&.10	Jan. 31	Dec. 29
Dom. Scot. Invests 5% pf.	.50	Mar. 1	Feb. 1
Dom. Tar & Ch. p.	1.37½	Feb. 1	Jan. 3
Dom. Woollens	.12½	Feb. 1	Jan. 15
Donnacona Pap.	.25	Mar. 1	Jan. 15
East. Theatres	.50	Feb. 10	Jan. 15
Electrolux	†.25	Jan. 30	Dec. 30
Gen. Steel Wares p.	1.25	Feb. 1	Jan. 11
Hudson B. M. & S.	.50	Mar. 12	Feb. 9
Hydro-Electric pf.	.25	Feb. 1	Dec. 29
Imperial Bank	.20	Feb. 1	Dec. 30
Inspiration Min.	*.02	Mar. 3	Jan. 31
Inter City Baking	1.00	Jan. 31	Jan. 17
Intn'l Nickel pf.	†1¾%	Feb. 1	Jan. 2
Intnl. Metals pf.	1.50	Feb. 1	Jan. 10
Intn'l Utilities	†.37½	Mar. 1	Feb. 16
Inv. Found. 6% pr.	.75	Apr. 16	Mar. 15
Lamaque Gold	.05	Feb. 1	Dec. 28
Laura Secord	.20	Mar. 1	Feb. 1
Legare 6% pr.	2.00	Feb. 15	Jan. 23
Leitch Gold	.02	Feb. 15	Jan. 31
Loblaw "A" & "B"	.25	Mar. 1	Feb. 6
Maritime Nat. Fish 6% pr.	1.50	Feb. 1	Jan. 20
Mackinnon Struc. 5% pr.	1.25	Mar. 15	Feb. 28
McIntyre Porc.	.55½	Mar. 1	Feb. 1
Mercury Mills	.20	Feb. 1	Jan. 15
Mtl. L., H. & Pwr.	.20	Jan. 31	Dec. 31
Northern Trusts	▪1.00	Feb. 2	Jan. 15
O'Brien Gold	.05	Jan. 29	Dec. 28
Ogilvie Flour	.25	Apr. 2	Jan. 26
Do., 7% pr.	1.75	Mar. 1	Jan. 26
Ont. Steel	.25	Feb. 15	Jan. 15
Do., pfd.	1.75	Feb. 15	Jan. 15
Penmans	.75	Feb. 15	Jan. 15
Do., pref.	1.50	Feb. 1	Jan. 12
Photo Engravers	.50	Mar. 1	Feb. 15
Pressed Metals	†.25	Mar. 1	Feb. 1
Purdy Mica	*.03	Mar. 3	Jan. 31
Quebec Power	.25	Feb. 26	Jan. 25
Quinte Milk	.10+.05	Feb. 1	Jan. 20
Rolland Paper	.15	Feb. 15	Feb. 5
Royal Bank	.15	Mar. 1	Jan. 21
Do., pfd.	1.50	Mar. 1	Feb. 15
Sangamo, com.	.15	Feb. 1	Jan. 10
Saguenay Pwr. 5½% pf.	1.37½	Feb. 1	Jan. 15
Shawinigan Pwr.	.23	Feb. 26	Jan. 18
Silverwood Dairies	.20	Apr. 2	Jan. 31
Do., pr.	.20	Apr. 2	Jan. 31
Simpsons 6½% pf.	1.62	Feb. 1	Jan. 4
Do.	.75	Mar. 15	Jan. 4
N. Slater	.50	Feb. 1	Jan. 10
Howard Smith	1.50	Jan. 29	Dec. 31
South Can. Power	.20	Feb. 15	Jan. 19
Standard Chem.	.50	Mar. 1	Jan. 31
St. Lawrence Flour	.35	Feb. 1	Dec. 30
Do., 7% pf.	1.75	Feb. 1	Dec. 30
Steel of Can.	.75	Feb. 1	Jan. 8
Do., 7% pf.	.75	Feb. 1	Jan. 8
Teck-Hughes	.05*	Feb. 1	Dec. 28
Toburn Gold	.01	Feb. 22	Jan. 22
United Corp.	.38	Feb. 15	Jan. 15
United Distilleries	.10	Jan. 23	Jan. 11
Walk.-Good. & W.	1.00	Mar. 15	Jan. 16
G. Weston 4½% pr.	1.12½	Mar. 1	Feb. 15
Do., pf.	.25	Mar. 15	Feb. 16
Wood, A. & J. 1 pf.	1.75	Feb. 1	Jan. 15
Zeller's	.20&.20	Feb. 1	Jan. 15
Do., 6% pref.	.37½	Feb. 1	Jan. 15

• Subject to approval of Foreign Exchange Control Board.
‡ N. Y. funds. ▪Arrears.
* Net after corporate income tax.

Commodities

	Latest week	Previous week	Same week last yr.
Cattle	$11.22	$11.47	$12.35
Hogs	17.50	17.77	17.15
Copper, lb.	*.12	.12	.12
Sugar, raw, lb.	*.0374	.0374	.0374
Coffee, lb.	*.09⅜	.09⅜	.09⅜
Hides	*.15½	.15½	.15½
Weekly Indices			
U. S. Labor	104.7	104.6	103.0
Dow Jones (fut.)	97.50	98.39	96.43
Fishers	114.2	114.3	112.4
Dow Jones (fut.)	98.39	98.13	96.72
Fishers	114.3	114.2	112.3
Monthly Indices			
Canada (D.B.S.:			
Retail (Oct.)	118.6	118.8	119.3
W'sale (Oct.)	102.4	102.3	101.9
U. S. (Sept.)	104.0	103.9	103.1
Gr. Brit. (Aug.)	167.1	167.5	162.9

Note—The base of indices is that 1926 equals 100. †Base 1935-39 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good over 1,050 lb., top price, Toronto. Copper - electrolytic. New York. No. 7 coffee, Rio Sugar 96 degrees centrifugal c/f New York.

*Ceiling prices fixed by the office of Price Administration.

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Atlantic Sugar	4%	1951	Mar. 1	102
Galt Brass	5%	1950	Feb. 1	105
United Amuse.	5%	1956	Feb. 1	102¾
Eaton Realty	4%	1951	Jan. 29	100
Rio de Janeiro Tr.	5%	1958	Apr. 1	Par

‡$100,500. ▴$236,000. *£100,000. †$55,000.

Investment Trusts

	Bid	Asked
Affiliated Funds	4.07	4.45
Can. Int. Trust	4.50	5.25
Can. Invest. Fund	3.90	4.30
Can. Investors	5.50	6.75
Com. Intern.	3.06	3.39
Corporate Inv.	7.35	7.90
Trans-Canada (A)	11.15	...
Do. (B)	...	10.85

Municipal Bonds

Jan. 23, 1945

	%	Due	Bid	Ask.	Yld. %
†Halifax	5	1961	120.00	123.00	3.20
Hamilton	5	1950	109.00	112.00	2.57
Montreal	3	1950	98.00	101.00	2.81
Ottawa	3	1953	101.25	103.75	2.50
†Quebec	5	1959	118.25	121.25	3.16
Saint John	5	1950	107.00	110.00	3.15
†Toronto	4½	1955	123.25	126.25	1.64
†Vancouver	5	1970	121.50	124.50	3.51
Winnipeg	6	1950	111.00	114.00	3.16

† Payable Canada & New York.

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B.C. Municipalities Move On Utilities Survey Plan

From Our Own Correspondent

VANCOUVER—Municipal representatives have formally approved Premier John Hart's proposal that a three-man board of utility experts report on the advisability of the municipalities acquiring the assets of the B. C. Electric Railway Co. The survey probably will begin early in the spring. The provincial government and municipalities directly affected will appoint the three men and will share the cost of the survey.

Basically, the questions before the experts will be these:

1. Is the proposed acquisition and operation of the B. C. Electric assets by municipalities a practical and provident arrangement from the standpoint of the municipalities?

2. If so, how should the utility assets be acquired and operated, and what arrangements should be made between the provincial government and the various municipalities involved?

Meanwhile a nine-man municipal committee has been appointed by the city councils and boards of aldermen to appoint the experts' board.

The legislature session opening next month will have before it a bill to give the government greater control over power resources and to authorize appointment of a permanent hydro-electric commission.

Gotham Yellowknife Plans Exploration

A broad exploration program is reported planned by Gotham Yellowknife Gold Mines for its main north group of claims with work to be concentrated chiefly on a quartz-feldspar porphyry shear zone stated to occur on the company's property.

The Duck Creek fault, an important structural feature of the Yellowknife area, is also stated to pass through the company's property.

The property comprises 10 claims immediately adjoining, to the north, some of the holdings of Frobisher Exploration Co. A crew of men under the direction of Carl Carlson has started work on the group, it is stated.

Company Reports

Confederation Life

Total Business Up $44 Millions Policy Payments Show Increase Earned Surplus Higher

Business in force of $571 millions, a new high record is shown by the Confederation Life Association in its annual report for the year ended Dec. 31, 1944. New business paid for during the year was $68.3 millions, including revived policies amounting to $1.9 millions.

The association's income during the year was $26.9 millions, of which $18.7 millions was premiums, interest and dividends amounting to $6.5 millions, an increase of $268,664 over the previous year. Payments to policyholders and beneficiaries during the year were $13.4 millions including policy dividends of $1.7 millions. Total payments for death claims were $4 millions.

The mortality rate in 1944 was better than in 1943 although War claims were higher than in any of the past five years.

The association gives more information in its report than many other companies and shows an operating profit for the year of over $2.6 millions compared with almost $2.5 millions in the preceding year. The expense rate was reported at the lowest rate in the last 10 years. Terminations of existing contracts showed a decrease. Important items in the statement follow.

	1944 $	1943 $
Business in force	571,513,804	527,099,462
Business issued	68,351,682	59,622,048
Total income	26,942,583	25,029,499
Premiums	18,717,842	17,355,303
Int. & divids.	6,500,562	6,231,898
Policy payments	13,449,032	12,277,469
Earned surplus	5,340,640	5,632,747
Operating profit	2,675,046	2,484,323
Assets	174,122,812	161,025,291
Bonds	131,388,157	116,766,512
Stocks	6,951,509	7,679,914
Mortgages	15,537,568	15,078,240
Policy loans	9,358,745	10,383,293
Pol. rseerves	141,918,053	133,900,010
Free surplus	8,147,437	7,283,706
Int. earned	4.08%	4.22%

Kelvinator of Canada

War supplies for the Canadian Army and the Mutual Aid Board continued to represent the major part of Kelvinator of Canada operations for the year ended Sept. 30, 1944, said G. W. Mason, president, in the annual report. Production of commercial refrigeration continued on a moderate basis, but there has as yet been no material or labor available for manufacture of household refrigerators. Refrigeration Supplies Co., and the company's two branches at Toronto and Montreal secured sufficient material to keep sales and profits fairly comparable to 1943.

Net worth of the English subsidiary, as shown by their books at the last report, but subject to audit, exceeds the valuation shown in last year's statement by better than $150,000 at the current rate of exchange, it is stated.

CONS. INCOME ACCOUNT

Years Ended Sept. 30:	1944	1943
Net earnings	$383,415	$523,600
Less: Depreciation	24,982	187,509
Int. on loan	641	8,870
Inc. tax res.▴	132,000	147,800
Res. postwar contr.	25,000	30,000
Net profit	200,792	149,421
Less: Com. divs.	100,000	......
Surplus for year	100,792	149,421
▴Incl. refund. E.P.T.	1,600	8,400
Earnings per Share and Dividend Record:		
Com.: Excl. ref. E.P.T.	$2.01	$1.49
Incl. ref. E.P.T.	2.02	1.58
Paid	1.00	nil

▪Not including English subsidiary.

CONDENSED CONS. BALANCE SHEET As at Sept. 30:	1944	1943
Cash & Dom. bds.	$ 472,805	$ 512,783
Accts. rec.	180,187	535,966
Inventories	378,946	276,888
Total curr. assets	1,031,938	1,325,687
Inv. in Eng. subs.	215,000	215,000
Misc. assets▴	98,036	68,782
Fixed assets*	218,876	239,241
Pats., g'dwill, etc.	422,736	422,736
Total assets	1,986,586	2,271,396
Bank loan	......	425,000
Accts. & tax. pay.	441,145	314,362
Other curr. liab.	19,228	9,676
Total curr. liab.	460,373	749,038
Deferred loan	......	90,000▪
Other liabs.	49,087	82,624
Res. postwar contr.	75,000	50,000
Capital stock	500,000	500,000
Surplus▴	902,126	799,734
*After depr. of	431,671	406,951
▪Not including English subsidiary.		
▴Incl. refund. E.P.T.	11,700	10,100
Working capital	571,565	576,599

DIVIDEND NOTICES

BANK OF MONTREAL

ESTABLISHED 1817

DIVIDEND NO. 327

NOTICE is hereby given that a DIVIDEND of FIFTEEN CENTS per share upon the paid up Capital Stock of this Institution has been declared for the current quarter, payable on and after THURSDAY, the FIRST day of MARCH next, to Shareholders of record at close of business on 31st January, 1945.

By Order of the Board.

B. C. GARDNER, General Manager.

Montreal, 16th January, 1945.

The Royal Bank of Canada

DIVIDEND No. 230

NOTICE is hereby given that a dividend of one and one-half per cent (fifteen cents per share) upon the paid-up capital stock of this bank has been declared for the current quarter and will be payable at the bank and its branches on and after Thursday, the first day of March next, to shareholders of record at the close of business on the 31st day of January, 1945.

By order of the Board.

S. G. DOBSON General Manager.

Montreal, Que., January 16, 1945.

The Bank of Toronto

DIVIDEND NO. 254

Notice is hereby given that a Dividend of Twenty-five Cents per share on the Paid-up Capital Stock of this Bank has been declared for the current quarter, payable at the Head Office of the Bank and its Branches on and after the first day of March next to shareholders of record at the close of business on February 15th, 1945.

By Order of the Board.

B. S. VANSTONE, General Manager.

THE DOMINION BANK

DIVIDEND NO. 249

Notice is hereby given that a dividend of two per cent (twenty cents per share) upon the paid up capital stock of this institution has been declared for the quarter ending 31st January, 1945. The dividend will be payable at the Head Office of the Bank and its Branches on and after Thursday, the first day of February, 1945, to shareholders of record of the 15th January, 1945.

By Order of the Board.

ROBERT RAE, General Manager.

Toronto, 14th December, 1944.

DIVIDEND NO. 21

Hudson Bay Mining and Smelting Co., Limited

A Dividend of fifty cents (50¢) (Canadian) per share has been declared on the Capital Stock of this Company, payable March 12, 1945, to shareholders of record at the close of business on February 9, 1945.

H. E. DODGE, *Treasurer.*

DIVIDEND NOTICES

The Corrugated Paper Box Company, Limited

PREFERRED STOCK DIVIDEND

Notice is hereby given that a dividend of 1¾% has been declared on the Preferred Stock of the Company, payable on the 1st day of March, 1945, to shareholders of record at the close of business on the 1st day of February, 1945.

Dated the 16th day of January, 1945.

J. A. WHEALY, Secretary.

MacKinnon Structural Steel Co. of Canada

DIVIDEND NOTICE

NOTICE IS HEREBY given that a dividend of One and one-quarter per cent (1¼%) has been declared on the 5% Cumulative Sinking Fund Redeemable Preferred Stock of MacKinnon Structural Steel Co. Limited, payable March 15th, 1945, to shareholders of record February 28th, 1945.

By Order of the Board of Directors.

J. G. SCORER, Secretary.

Montreal, January 19th, 1945.

McIntyre Porcupine Mines

LIMITED

(No Personal Liability)

DIVIDEND NO. 111

Notice is hereby given that a dividend of fifty-five and one-half cents (55½¢) per share in Canadian currency will be paid on March 1, 1945, to shareholders of record at the close of business February 1, 1945.

By Order of the Board.

W. B. DIX. Treasurer.

Dated at Toronto, January 16, 1945.

LOBLAW GROCETERIAS CO. LIMITED

NOTICE is hereby given that a quarterly dividend of 25 cents per share on the Class "A" shares, and a quarterly dividend of 25 cents per share on the Class "B" shares of the Company have been declared for the quarter ending February 28th, 1945, payable on the 1st day of March, 1945, to shareholders of record at the close of business on the 6th day of February, 1945. The transfer books will not be closed. Payment will be made in Canadian Funds.

By order of the Board.

R. G. MEECH, Secretary.

Toronto, January 18th, 1945.

The John Bertram & Sons Co. Ltd.

DIVIDEND NOTICE

Notice is hereby given that a dividend of Fifteen cents (15¢) per share, plus an extra Fifteen cents (15¢) per share, has been declared on the outstanding common stock of this company, payable February 15th to shareholders of record January 31, 1945.

By Order of the Board.

J. T. ROSS, Secretary-Treasurer.

Dundas, Ont. January 15, 1945.

MARKET COMMENT

Golds Stronger

Gold stocks were the only firm group in the market last week with their average closing higher than a week before. The industrials, utilities, pulp and paper stocks, base metals and western oil stock indices all declined in the week. Volume held up with 5,990,000 shares trading in Toronto and 336,000 shares in Montreal during the week. The market action last week is attributed by some traders to more favorable war news.

Selectivity in the buying indicates that investors are paying attention to the intrinsic worth and future prospects of individual companies, some traders believe. Investment counsellors stress that this is a sounder practice than trying to guess market movements. However, it has been said that human nature will not change and that the contagious optimism of a bull market or the pessimism of a bear market will always produce errors in the judgment of investors and traders.

Barron's (New York) The Trader: Potentially, the buying of stocks in the event of a serious break appears much larger than the selling and in such circumstances a market, which is still only seven points higher than it was in mid-July, 1943, and less than three points higher than it was in mid-July, 1944, cannot be said to be at a dangerous level.

Wall Street Journal Abreast of the Market Brokers say the latest stock market reaction thus far has been a sort of "synthetic" operation. That is, so many traders and technicians have talked vigorously about a reaction that they and some of their friends and clients have been selling stocks largely to take their profits. This has in a small way strengthened the technical position of the market although it is still regarded as somewhat vulnerable to bad news. Brokers report that stocks have not been difficult to sell thus far.

New Highs and Lows

During the week ended Jan. 22 there were 52 new highs recorded among the "general" stocks traded on Canadian stock exchanges and two new lows for 1944 and 1945 to date. In the mining group there were 14 new highs and one new low registered in the week. No new highs or lows were recorded by the oil stocks.

GENERAL

New Highs—1944-45

Acme Glove	Langley's pref.
Do., pref.	McColl-Frontenac
Agnew-Surpass	Monarch Knit. pf.
Aluminium pref.	Mtl. Ref. & S. 2 pf.
Bathurst Power A	Muirheads pref.
Brew. & Distillers	Nat. Breweries pf.
Bright, T. G., pref.	Nat. Sewer Pipe A
B. C. Pulp & Paper	North Star Oil pf.
Caldwell Linen 1 p.	Ont. Silknit Scripts
Canada North. Pr.	Ottawa Elec. Rlwy.
Canada Packers B	Ottawa L.H. & P. p.
Can. Celanese pf.	Power Corp.
Cassidy's	Do., 2nd pref.
Coll. Term. pref.	Quebec Telephone
Cor. P. Box Rights	Sherwin-Wms. pf.
Crescent Cream. p.	South Can. Pwr. p.
Dryden Paper	Stedman Bros.
English Elec. A	Tamblyn's
Do. B	Toronto G. Trusts
Famous Players	Tuckett Tobacco
Fleury Bissell	Twin City
Foundation Co.	United Corp. A
Guaranty Trust	Western Steel
Gypsum, Lime	Wilsils
Hur. & Erie Mtge.	Woods Mfg. pref.
Imperial Tob. pf.	Zellers

New Lows—1944 45

Can. Pwr. & P. In. Can. Locomotive

MINING

New Highs—1944-45

Bridge River Cons.	Kerr Lake
Buffalo Con.	Lamaque Gold
Can. Malartic	McIntyre Porc.
Chesterville	Mining Corp.
Coin Lake	Northland
East. Malartic	Proprietary
Grandora	Salmon Gold

New Lows—1944 45

Bonetal

Net Cost of New Issue Record Low For Halifax

A new $765,000 issue of City of Halifax, N.S. bonds is being offered by Gairdner & Co., G. E. Leslie & Co. and Cornell, Macgillivray Ltd. Net interest cost to the city of 3.06% is the lowest in its history, it is stated. The syndicate paid 100.247 for the issue.

The bonds consist of $156,000 of 2½'s due 1946-48 ($30,000 a year) and 1949-50 ($33,000 a year), $390,000 of 3's due 1951-52 ($35,000 a year) and 1953-60 ($40,000 a year), and $219,000 of 3¼'s due 1961 ($40,000), 1962 ($44,000) and 1963-65 ($45,000 a year). Bonds maturing in the first ten years have been sold privately, the 1956 to 1960 maturities are being offered to yield 3.00%, the 1961 and 1962 maturities at 3.10% and the remainder to yield 3.15%.

Bonds are issued as part of the city's Consolidated Fund of 1903 and mature on Jan. 2 of each year. Proceeds are to defray the cost of a large number of civic improvements made during the past year and to pay for a considerable amount of new equipment purchased for various departments.

Simpsons Ltd. application for listing its 112,500 shares of 4½% cumulative redeemable preferred stock of $100 par value which will be issued and outstanding and application for listing the issued and outstanding 360,000 Class A and 360,000 Class B shares, all without par value, have been granted and shares were posted for trading on the Toronto Stock Exchange on Jan. 22. At the same time the old Class A and B shares were removed from the trading list.

DIVIDEND NOTICES

York Knitting Mills, Limited

DIVIDEND NOTICES

Notice is hereby given that a dividend of 3½% has been declared on the First Preference Stock of the Company for the six months ended December 31st, 1944, payable February 15th, to shareholders of record at the close of business on February 2nd, 1945.

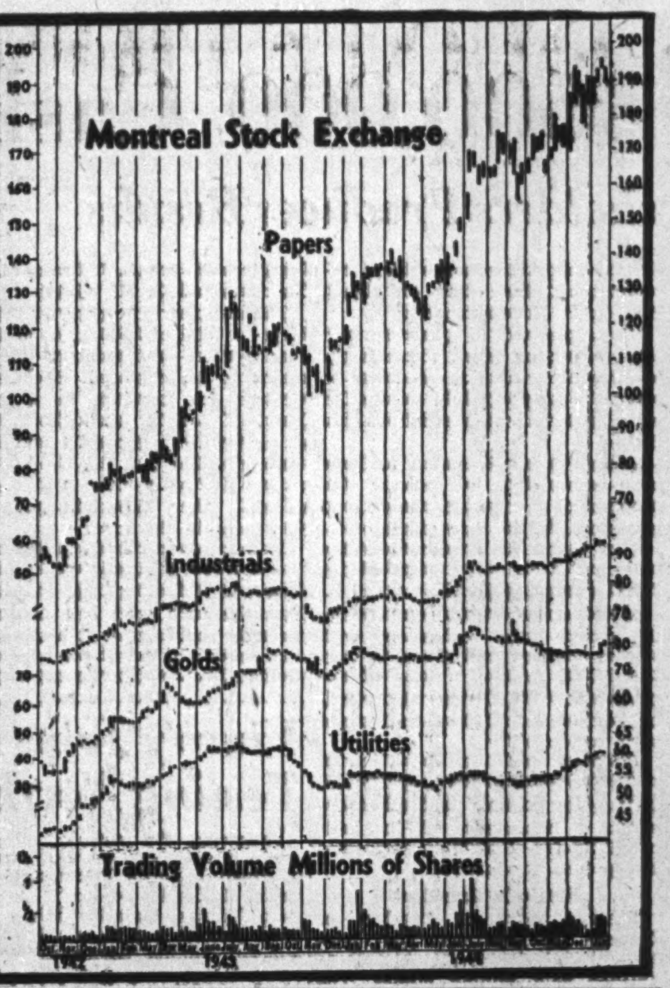
Notice is hereby given that a dividend of 3½% has been declared on the Second Preference Stock of the Company for the six months ended December 31st, 1944, payable February 15th, to shareholders of record at the close of business on February 2nd, 1945.

Notice is hereby given that a dividend of 20c per share has been declared on the Common Stock of the Company for the six months ended December 31st, 1944, payable February 15th, to shareholders of record at the close of business on February 2nd, 1945.

By Order of the Board.

V. W. SCULLY, Secretary.

Toronto, Jan. 23, 1945.



Windsor Will Proceed With Refinancing Plan

After failing to reach agreement with bondholders' representatives on a refunding plan, Windsor, Ont., is making an application for a refinancing direct to the Ontario Municipal Board, bypassing the bondholders' committee. Windsor's Mayor Reaume had already refused to negotiate directly with the committee, and referred the committee back to the Department of Municipal Affairs, through whom discussions had previously been carried on.

Significance of the move is that it is a change from the normal procedure under which municipalities usually reach agreement with bondholders' representatives first, then submit a jointly approved plan to individual bondholders. Windsor tried once before, at the time of the previous refinancing, to put through a plan not approved by the committee. At that time, holders of more than a third of the bonds rejected the plan, thus blocking it.

The impasse in negotiations is said to have arisen over the city's desire for a new issue of serial debentures while the creditors held out for term debentures. The city also sought to have the Series B (now 4%) debentures refunded at 4% while the debenture holders sought a refunding at 4¼%.

The bondholders' representatives felt that any distribution of serial debentures to the present holders of the term debentures would be inequitable as one person might receive a very short-term bond while another would receive as long as a 31-year bond. The representatives felt also that the Series B bondholders should receive something for giving up their income interest provision and they suggested a 4⅛% rate, it is stated.

Since Windsor 4% bonds are selling about par and it appears that it would be possible to refund them at a lower rate; and since the serial debentures would be to the advantage of those getting the shorter terms, it does not appear likely that the city's application will be opposed, The Financial Post understands. It is believed likely, however, that the representatives of bondholders will explain their position to the Ontario Municipal Board.

Briefly the proposal is to refund at fixed rates of interest the outstanding debentures as follows:

Series A (East Windsor) debentures now bearing 2% will be replaced by a new series bearing 2¾%.

Series B (Walkerville) by new debentures at the same rate 4%.

Series C (Windsor) bearing 3¼% by a new series bearing 3⅛%.

Series D (Sandwich) now at 1½% by a new series at 2½%.

The new debentures will be serials due in one to not more than 31 years and to be callable in whole or in any part of any series in the order of maturity.

The city will have the right to purchase any or all of the new debentures created under this plan at any time out of any surplus funds or by the liquidation of assets or from the assets of the sinking fund. The sinking fund as at Dec. 31, 1944, amounted to $2,309,462

Windsor 1½'s are quoted $77 bid to $81 asked, 2's $81 bid to $84 asked, 3¼'s $95½ bid to $97½ asked and 4's $99½ bid to $100½ asked. Just prior to the end of 1944 Windsor 1½'s were quoted $68 to $72, 2's $78½ bid, 3¼'s $95 to $96 and 4's $99¾ bid.

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To the Shareholders of

Canadian Car & Foundry Co. Limited

• Your position in this Company is the same as mine. We both have our money invested in the Company and we all desire good management. The evidence of good management is an adequate return on our investment which we have never had despite unrivalled opportunities. I consider new management essential to the success of the Company.

• In this contest I am not seeking the removal of all the directors. Many of them can be of continued usefulness to your Company and I have already intimated that it was my desire to have four or five of them continue to serve your Company.

• Experience has shown that no board of directors can make an inefficient management—efficient.

• I have been fortunate in being able to interest in your Company outstanding car building executives, who, from their special experience will be able greatly to strengthen the entire car organization. It is obvious that it would not be fair to these industrial leaders to bring out their names until such time as we have completed our other plans. In the meantime, I must thank the holders of many thousands of shares who have trusted me with their proxies and encouraged me in the effort I am making on their behalf.

• I again urge you strongly to attend the Annual Meeting at 12:00 o'clock noon, January 31st, 1945, in the Assembly Room of the Royal Bank Building, 360 St. James Street West, Montreal. If your shares are registered in your name, you can vote your stock at the Annual Meeting even though you have already given your proxy to the management or to myself.

• If you cannot attend, clip the proxy and mail to me, postage collect, signed, dated and witnessed. A later dated proxy cancels any previous proxy signed by you.

Yours faithfully,

ALFRED KIRBY,
FAIRBANKS, KIRBY & CO.
1121 Royal Bank Building,
360 ST. JAMES ST. W., MONTREAL

TELEPHONE BE 1341

To be valid this Proxy must reach me not later than Saturday, January 27.

CLIP AND MAIL

PROXY

NOTE: This Proxy supersedes any other proxy or proxies signed by me at a previous date.

KNOW ALL MEN BY THESE PRESENTS that the undersigned Shareholder in CANADIAN CAR & FOUNDRY COMPANY, LIMITED, doth hereby constitute and appoint A. Kirby as the true and lawful attorney and proxy of the undersigned, for and in the name of the undersigned to vote upon all shares of the undersigned, both Preference and Common, in CANADIAN CAR & FOUNDRY COMPANY, LIMITED, at the Annual General Meeting of the Shareholders of said Company to be held on Wednesday, the 31st day of January, 1945, and at any adjournment or adjournments thereof, with all the powers the undersigned would possess if personally present.

DATED at .... this ....

day of .... 19....

SHAREHOLDER

Witness: ....

THIS PROXY MUST BE DATED AND WITNESSED

Croinor Raises $600,000 Cash

Letter to Small List of Shareholders Produces Results

How simply and inexpensively large sums of money can be raised for new gold mining enterprises was effectively demonstrated the past month by Croinor Pershing Mines which has outlined one of the better new Quebec gold discoveries this last year.

Ninety-four letters were sent out to Croinor shareholders under date of Dec. 21 offering rights on the basis of one further share at 75 cents for each two shares held. By Jan. 15—less than a month later—a total of roughly $1.1 millions had been sent in or approximately twice the $525,000 it was planned to raise by a sale of 700,000 shares as rights. Actually 800,000 shares were allotted with $600,000 placed in the treasury.

Strangers Send Cheques

Not only did individuals send in cheques for larger sums than they were entitled to receive in shares under the offering of rights, but utter strangers sent in marked cheques for up to $15,000. In fact marked cheques came in from small towns and hamlets all over the place, it is stated.

Now the Croinor has nearly $650,000 in the treasury and the management is hopeful that this sum will be all that it is necessary to raise by the sale of shares to see the company through to production. Authorized capital is three million shares with only 2.2 million shares outstanding. Vendor interests received a total of 900,000 shares, 500,000 shares were sold at varying prices to net the treasury $65,000 and the latest offering of 800,000 shares has netted the additional $600,000.

Little Money Spent So Far

Expenditures have been small to date—probably not more than $25,000—but the company has been able to outline rather important results in work completed.

The company's main showing which is the best so far disclosed in Pershing Township to the east of the Siscoe-Lamaque area—has a length of 850 ft. averaging $10 a ton across an average width of 10 ft. with both ends open. An additional length of 2,000 ft. is indicated to the west. Two other veins have been established, one showing a length of 300 ft.. averaging $7.50 over 5.5 ft.

In a report to shareholders accompanying the offer of rights, Pres. J. P. Norrie reports:

"It is planned to purchase and erect a mining plant immediately to have everything in readiness to bring the property into production when government restrictions are lifted."

Enough work is stated to have been completed to indicate the presence of a large tonnage of good grade ore. At the time of the offering of rights to shareholders the main ore body was indicated for 700 ft. averaging $10.20 across 10 ft.

If underground work confirms the downward vein extension with similar tonnage and grade to only the 500-ft. horizon, a total of approximately 300,000 tons of ore will be exposed and a 300-ton mill would seem a possibility.

Diamond drilling has shown numerous veins in the property and it is quite possible that other ore shoots of importance will be indicated. So far all drilling completed has proved productive.

Norrie Is President

Present board of directors of Croinor includes men who have been noted for their success in Quebec gold mining circles. The president is J. P. Norrie and in official quarters, it is stated, this is thought to be the only gold mining company of which Mr. Norrie has assumed the presidency. Vice-president is W. G. Worden while remaining directors are A. J. Davis, M. A. Thomson and G. M. Wilton.

The company's property is rather large—a total of 2,560 acres or four square miles—and much of this remains to be explored. Success at Croinor has resulted in a great burst of activity throughout Pershing township generally and it is quite possible that the Croinor results will finally mean a discovery of still other important gold occurrences in the area.

Perhaps even more significant to the Quebec gold mining industry, however, is the apparent indication that Quebec's gold belt continues strongly eastward even beyond the rich section of the Siscoe-Lamaque-Golden Manitou-Louvicourt section.

CIL GROUP CHIEF

Arthur H. Martin, Montreal, becomes general manager of the fertilizer and salt group of Canadian Industries Ltd.

MINING INVESTMENTS

Stadacona Future Seen Better Than Its Past

While no official report has been issued by Stadacona Mines (1944)—the new company which took over Stadacona Rouyn Mines—unofficial information suggests that the property is in perhaps the best shape in its history and that a long and profitable career is indicated.

Ore reserves, it is claimed, approximate 500,000 tons—or close to five years' supply—at the present 375-ton mill rate.

Evidence of the improved mine position, it is stated, may be found in the improved average recovery, a considerable increase in average recovery having taken place since 1936. Nothing official has come out on recent development results but there are reports that development at depth has been given most interesting results.

• • •

Headway Red Lake, perhaps last season's most important gold find in the Red Lake area, started diamond drilling last week with results from the first hole likely to be available shortly.

The Headway zone in which values up to $25 a ton have been reported has been outlined by surface exploration for a length of 800 ft. and an average width of approximately 25 ft. Overburden and weather conditions have prevented close channel sampling of the entire zone but remarkably consistent results are stated to have been secured from the samples sent out. How a gold showing next door to the old Howey mine could have been missed is something of a mystery but a possibility is that the arsenopyrite formation in which the gold is found appeared inhospitable and no one bothered sampling it.

• • •

Canadian silver consumption increased 25% to 6.5 million ounces in 1944, Handy & Harman state in their 29th annual review of the silver market.

While Canada is not ordinarily thought of as a large user of silver, although this country produced 14.6 million ounces in 1944, actually Canadian consumption was nearly half that of the United Kingdom last year.

The United States, however, is the big consumer of silver using an estimated 125 million ounces in 1944. Of this total, war and essential uses accounted for approximately 65%.

Powell Output Lower For December Quarter

Bullion production for Powell Rouyn Gold Mines totalled $125,582 from 25,857 tons treated, an average of $4.86 gold per ton in the three months ended Dec. 31, 1944, compared with $272,528 from 59,215 tons, an average of $4.60 in the comparable quarter of 1943, and $182,358 from 44,400 tons, an average of $4.11 gold per ton in the three months ended Sept. 30, 1944.

The long crosscuts toward the vein on two new levels at 2,300 ft. and 2,450 ft. have been steadily advanced during the quarter and up until Jan. 20, 1945, had a length of 356 ft. and 358 ft. respectively, L. M. Keachie, president, reports. The vein is expected to be reached some time in June.

Earnings, before depreciation allowances and before write-off for pre-production expenditures, amounted to $1,847. Current assets as at Dec. 31, 1944, were $438,009 and current liabilities were $35,503.

Madsen Red Lake Gold Mines advises that bullion production totalled $1,448,533 from 132,761 tons treated, an average of $10.91 gold per ton in the year ended Dec. 31, 1944, compared with $1,321,889 from 144,792 tons treated, an average of $9.13 in 1943. Bullion output for the three months ended Dec. 31, 1944, was $345,378 from 25,867 tons treated, an average recovery of $13.35 as against $363,517 from 36,240 tons treated, an average of $10.03 in the final three months of 1943.

Lake Shore Mines reports bullion production of $1,063,985 from 63,231 tons treated, an average of $16.83 gold per ton in the three months ended Dec. 31, 1944, compared with $1,244,330 from 66,586 tons treated, an average of $18.69 in the comparable quarter of 1943, and $1,100,480 from 65,704 tons treated, and average of $16.75 in the three months ended Sept. 30, 1944.

Vinray Joins Other Companies Testing North Malartic Break

Following the securing of ore-grade intersections on the property of Hugh Malartic Mines and Citralam Malartic adjoining to the east, Vinray Malartic Mines has been formed and financed by the Vincent mining associates of Toronto. The company has acquired a block of claims believed to be on the line of strike and adjoining Hugh Malartic to the west. A diamond drill at last report was putting down a hole on the boundary with Hugh Malartic Mines to pick up, if possible, the extension of the Hugh Malartic zone to the west.

A block of 400,000 treasury shares has been underwritten by Norman Vincent at 10 cents a share and substantial financing is stated to have already been assured for the company.

The geology of the district shows that it is traversed by belts and bands of diorite, tuff, agglomerate, greywacke and lavas. A strong fault zone has been located by drilling on the adjoining Hugh Malartic property where commercial values have been reported. Available information suggests that the fault zone crosses the Vinray claims, being well fractured and calling for probing by drilling to determine its possibilities.

The property comprises some 800 acres about one mile of East Malartic and less than two miles northwest of Malartic Goldfield. Ample power and water supplies are nearby.

Drilling is proceeding on the Hugh Malartic and Citralam properties in an effort to outline commercial deposits.

Sullivan Shows Ore at Depth

Lateral development from No. 2 inclined shaft on 1,550, 1,650 and 1,750-ft. levels at Sullivan Consolidated Mines in recent months has proved the continuity to depth of the Nos. 4 and 9 ore structures.

The No. 9 ore body, underlying the shaft to the south on the 1,550-ft. level, has been opened up for a total ore length of 110 ft. with widths varying from 2.0 ft. to 6.0 ft. No work has been done on No. 4 body on this horizon.

The No. 9 body has been disclosed over total ore extensions of 235 ft. on the 1,650-ft. level with the ore occurring in lenticular structures over varying widths, it is reported. Bulk sampling from development headings has returned 0.15 oz. grade from 991 tons sampled.

On the 1,750-ft. level, No. 4 structure has been disclosed over total ore extensions of 409 ft. A drill intersection 150 ft. west of the west face is reported to have returned 5.0 ft. of typical ore structure, carrying 0.26 oz. grade. The ore occurs as flat lying lenses of quartz and altered granodiorite. Extensive bulk sampling of No. 4 vein on this level has indicated mine average grade. A raise centrally located, is being driven from the 17th to the 16th level.

Bullion production for the nine months ended Sept. 30, 1944, totalled $941,108 from 109,115 tons treated, an average recovery of $8.63 gold per ton. The mill averaged 400 tons daily during the nine months' period, although mill rate dropped from an average of 453 tons daily in the three months ended June 30, 1944, to 315 tons daily in the third quarter of the year. The company has maintained mill rate at about 300 tons daily since the third quarter of 1944, in order to permit concentration of effort on underground development.

Mining Options

Atlas Yellowknife Mines—By Jan. 5, 1945, agreement, Draper Dobie & Co., agreed to purchase 300,000 shares for $35,000, payable within 10 days and optioned 1,699,995 shares in 200,000-share blocks at 15, 20, 25, 30, 40, 50, 60 and 75c. and 99,995 shares at $1 per share, all payable within 36 months. Authorized capital is three million shares with 1,000,005 issude, of which one million are escrowed. Qualified Jan. 10, 1945.

Humlin Red Lake Mines—By Jan. 8, 1945, agreement, William G. Chipp, agreed to purchase 200,000 shares at 20c., payable in 30 days from Jan. 12, 1945, and received option on 800,000 shares as follows: 200,000 shares at 25c.; 100,000 shares at 30c.; 200,000 shares at 35c.; and 100,000-share blocks at 40, 50 and 60c. per share, all payable within 18 months. Authorized capital is three million shares with 800,000 issued in escrow. Qualified Jan. 11, 1945.

Mintrock Mines—By Jan. 4, 1945, agreement, Jos. D. Thomas optioned 1.5 million shares as follows: 500,000 shares at 5c.; 200,000-share blocks at 6 and 7½c.; 100,000-share blocks at 9, 25, 35, 45, 55 and 65c. per share, to be taken down 50,000 shares by Mar. 15, 1945, and 50,000 shares monthly thereafter. Notwithstanding the terms of the agreement the option is to expire at the end of 24 months. Authorized capital is four million shares with 1,350,005 issued, of which 1,215,000 shares escrowed. Qualified Jan. 8, 1945.

Nesnah Mining & Exploration Co.—By July 19, 1944, agreement, Frobisher Exploration Co., purchased 254,000 shares at 5c. and optioned 600,000 shares as follows: 200,000 shares at 10c. and 100,000-share blocks at 15, 20, 25 and 30c. per share, all payable by Mar. 15, 1946. Authorized capital is 3.5 million shares with 546,005 issued, of which 500,000 are escrowed. Qualified Jan. 11, 1945.

New Electra Porcupine Gold Mines—By Dec. 22, 1944, agreement, Pocono Developments Ltd., purchased 300,000 shares at 10c. and optioned 1.9 million shares as follows: 200,000-share blocks at 12½, 15, 20, 25, 30 and 35c.; 100,000-share blocks at 40 and 50c.; 200,000-share blocks at 60 and 75c.; and 100,000 shares at $1 per share, all payable within 49 months. Notwithstanding terms of the agreement the option will terminate in 36 months. Authorized capital is 3.5 million shares with 1,233,507 issued, of which 1,233,502 are escrowed. Qualified Jan. 5, 1945.

Phelps Gold Mines—By Dec. 22, 1944, agreement, H. H. Prittie optioned one million shares as follows: 500,000 shares at 5c.; 200,000-share blocks at 7½ and 10c., and 100,000 shares at 12½c. per share, payable $2,000 forthwith and $1,000 on the first of each month thereafter. Notwithstanding terms of the agreement the option will terminate within two years' time. Authorized capital is three million shares with 1,000,005 issued, of which one million are escrowed. Qualified Jan. 4, 1945.

Queenston Gold Mines has advised the Toronto Stock Exchange that Dec. 31, 1944, installment, comprising option on 300,000 shares under Jan. 22, 1943, agreement with Upper Canada Mines, has been exercised. The Dec. 31, 1944, installment, comprising an option on 300,000 shares under Jan. 22, 1943, agreement with W. H. Despard, has also been exercised. No further options are outstanding. Issued capital is 2,440,005 shares.

Preston East Dome Mines reports bullion production of $556,247 from 57,662 tons treated, an average recovery of $9.65 gold per ton in the three months ended Dec. 31, 1944, compared with $585,5?2 from 57,072 tons treated, an average of $10.26 in the three months ended Dec. 31, 1943.

Wiltsey Coghlan Mines has advised the Toronto Stock Exchange that the option on 57,143 shares exercisable Dec. 31, 1944, under Jan. 31, 1944, agreement with Mentor Exploration & Development Co., has been extended so that it is now exercisable by Mar. 31, 1945.

MacLeod-Cockshutt Gold Mines advises that bullion production amounted to $362,128 from 33,483 tons treated, an average of $10.82 gold per ton in the three months ended Dec. 31, 1944, compared with $412,252 from 32,874 tons treated, an average of $12.54 in the comparable quarter of 1943, and $341,936 from 24,623 tons treated, an average of $13.89 in the three months ended Sept. 30, 1944.

We will be pleased to furnish information on any of our industrial or mining stocks.

A. E. OSLER & COMPANY

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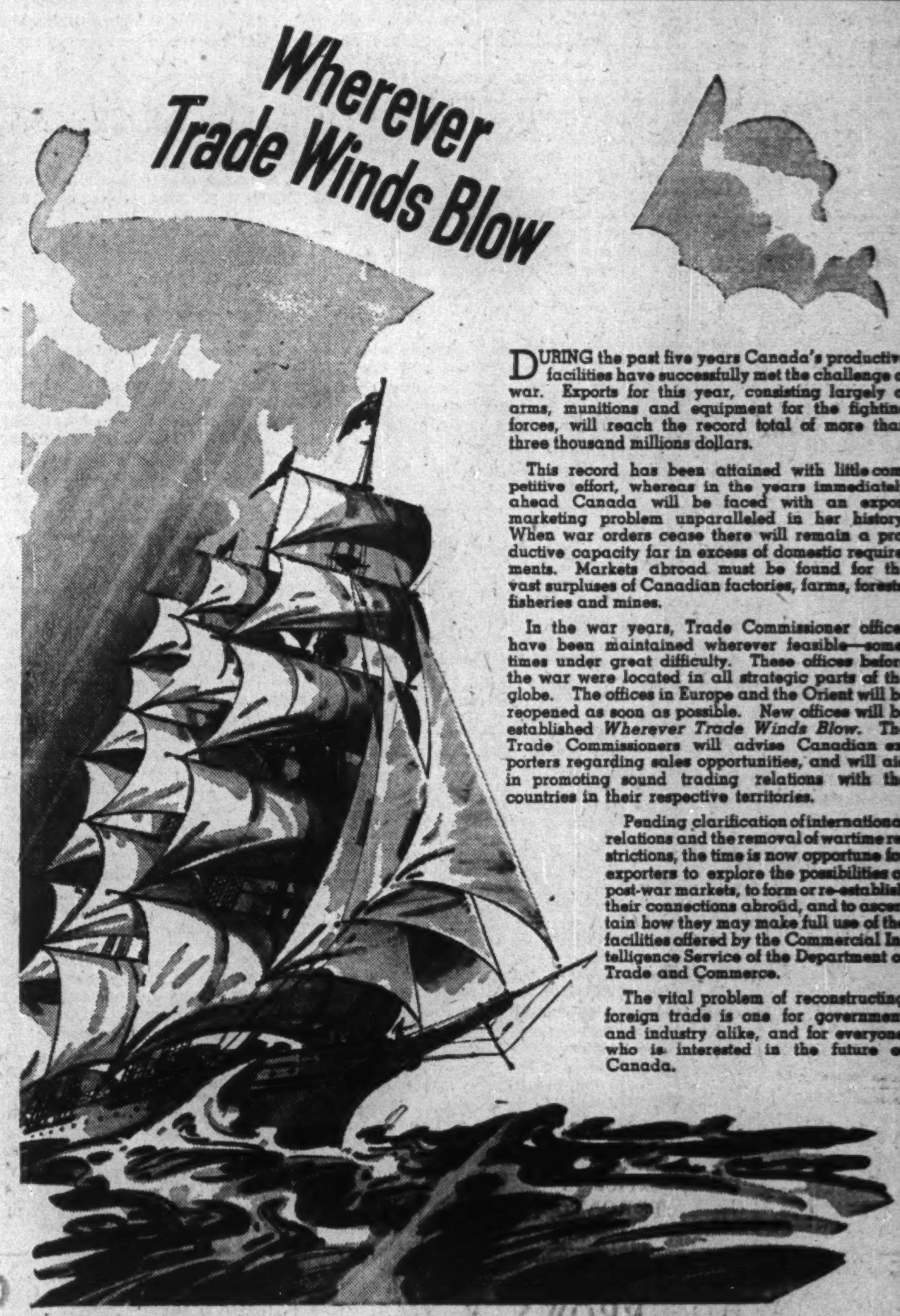

DURING the past five years Canada's productive facilities have successfully met the challenge of war. Exports for this year, consisting largely of arms, munitions and equipment for the fighting forces, will reach the record total of more than three thousand millions dollars.

This record has been attained with little competitive effort, whereas in the years immediately ahead Canada will be faced with an export marketing problem unparalleled in her history. When war orders cease there will remain a productive capacity far in excess of domestic requirements. Markets abroad must be found for the vast surpluses of Canadian factories, farms, forests, fisheries and mines.

In the war years, Trade Commissioner offices have been maintained wherever feasible—sometimes under great difficulty. These offices before the war were located in all strategic parts of the globe. The offices in Europe and the Orient will be reopened as soon as possible. New offices will be established *Wherever Trade Winds Blow.* The Trade Commissioners will advise Canadian exporters regarding sales opportunities, and will aid in promoting sound trading relations with the countries in their respective territories.

Pending clarification of international relations and the removal of wartime restrictions, the time is now opportune for exporters to explore the possibilities of post-war markets, to form or re-establish their connections abroad, and to ascertain how they may make full use of the facilities offered by the Commercial Intelligence Service of the Department of Trade and Commerce.

The vital problem of reconstructing foreign trade is one for government and industry alike, and for everyone who is interested in the future of Canada.

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Saw the Vision of the world, and all the wonder that would be;
Saw the heavens fill with commerce, argosies of magic sails,
Pilots of the purple twilight, dropping down with costly bales;
Heard the heavens fill with shouting, and there rain'd a ghastly dew
From the nation's airy navies grappling in the central blue.

• • • •

Far along the world-wide whisper of the south-wind rushing warm
With the standards of the peoples plunging through the thunderstorm
Till the war drum throbbed no longer and the battle flags were furled
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OIL PRODUCTION

Gulf Oil Takes Acreage In Blood Indian Area

From Our Own Correspondent

CALGARY — Gulf Research & Development Co., unit of big Gulf Oil Corp., announced that it has taken up a Reservation covering 96,850 acres on the south end of the blood Indian reserve. The big block, located in southwestern Alberta on the east fringe of the foothills, will be worked over the coming spring and summer by a Gulf seismic and gravimeter party.

The acreage lies between the Belly and St. Mary rivers, with its southeast corner about a mile east and north of Cardston. The northeast end is about 30 miles southwest of Lethbridge. Acreage includes: Section 15 to 22, and 27 to 34 in Twp. 3 Rge. 25w4; the west two-third of Twp, 4 Rge. 24w4; Sections 3 to 6 of Twp. 5 Rge. 25w4; the north two-thirds of Twp. 3 Rge. 26w4; all of Twp. 4 Rge. 26w4; that portion of Twp. 5 Rge. 26w4 located south of the Belly river; that portion of Twp. 3 Rge. 27w4 located south of the Belly river; and that portion of Twp. 4 Rge. 27w4 located east and south of the Belly river.

• • •

Pressure High at Shell

Shell Oil of Canada No. 4-24-J, 9,947-ft. discovery well at Jumping Pound, established a bottom hole pressure of 3,910 lb. per square inch last week, calculated at a depth of 9,740 ft. in a 24-hour build-up. Pressure rose rapidly in the first 12 hours after well was closed in, and more or less stabilized during the latter 12 hours, indicating that the 3,910 pound figure closely corresponds to the mean formational pressure. Pressure was calculated near the top of the porous oil and gas bearing lime, production being from a 101-ft. porous section between 9,746 and 9,847 ft. and a total of 19 ft. in narrow porous streaks between lime contact at 9,618 and the top of the main porous.

Deepest Turner Valley well on which original formation pressure is available is the Northwest Hudson Bay No. 13, deep east side lime producer. Calculated at a depth of 9,266 ft., this well built up 2,950 lb. when closed in for 22 days. This formation pressure test was made two months after completion in Aug., 1943. (This well flowed 82,960 bbl. of oil in 16 months to Nov. 30, 1944, with November yield 4,485 bbl. and gas-oil ratio 2,710 cu. ft. per bbl.)

Drill New Test Shortly

Highest formation pressure recorded among the deep Turner Valley producers was that at Home Millarville No. 2, discovery well on the North West Flank of that structure. Bottom Hole pressure of 3,055 lb., calculated at depth of 8,495 ft., was recorded in a 72-hour build-up during the completion month, Jan., 1939. (Home 2 is the Valley's "Wonder Well," with yield in 71 months from completion to Nov. 30, 1944 of 1,253,886 bbl., far in excess of that from any other well in the field. November yield was 7,715 bbl. with gas-oil ratio 2,840 cu. ft. per bbl. Nearest producers—to the north and east—are half a mile distant, double the normal quarter mile between producers.)

The Shell Jumping Pound discovery well—completed as a large "wet gas" producer on the crest of a long, broad structure—has now been closed in temporarily following extended production test. It will be re-opened to provide fuel gas for future Shell drilling down flank on the structure—with initial such well expected to be announced and started in the near future.

• • •

Buys Arctic Oil

Gas & Oil Products, largest western Canadian-owned refiner and distributer of petroleum products, has marked the beginning of its second decade in business by purchasing "for slightly under half a million dollars" the assets of Arctic Oil Co. and Artic Oil Sales. The purchase—largest of its kind in years in Western Canada—has been announced by Gas & Oil's president, A. H. Mayland, and Artic's Mart. McMahon.

The purchase of Artic greatly increases Gas & Oil's chain of distributing outlets, adding about 60 outlets which, in 1944, handled about 5,600,000 gallons of refined products. Bulk of Artic outlets are in Southern Alberta, with a lesser number extending as far north as Athabaska in northern Alberta.

Prior to acquisition of Artic, Gas & Oil Products controlled about 100 outlets in Alberta and 80 in Saskatchewan, bulk of the Saskatchewan outlets being owned by the subsidiary Patron Oil Co., the balance in Saskatchewan and Alberta by the parent company. The 1944 distribution in Alberta totalled about 17 million gallons of light refined products and 200,000 gallons of lubricating oils. Distribution in Saskatchewan was about 7 million gallons of light products and 200,000 gallons of lubricating oils.

Gas & Oil, under its own name or through subsidiaries, has long had a substantial stake in Turner Valley oil and gas wells.

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Many Wells Planned

The year 1945 is to be a record one for well drilling in Alberta, judging from results to date of a survey of operators being made by the Alberta Petroleum Association. With some operators still to be heard from, the projected number of wells to start in 1946 so far reported totals 137.

While noting that its survey "reveals astounding development for the year 1945," the A.P.A. adds an important rider to its statement—"The fulfillment of the program depends largely upon what Ottawa does with the request of the operators for the extension beyond Mar. 31, 1945 of tax credits, and also what further consideration they will give re unproductive wells."

The A.P.A. survey indicates that the Alberta foothills belt will be the scene of the largest exploratory drilling program in its history "primarily as a consequence of the results at the Shell Jumping Pound test." At least 23 new wells are scheduled to be drilled in the foothills outside of Turner Valley, while an additional 16 wells are projected for the Turner Valley field itself.

A total of 98 wells are so far projected for the southern and central Alberta plains in 1945. Of these, about 37 are listed for the south plains from the Taber area south to the Montana border; 25 are listed for the area further north, roughly within a 50 to 60-mile radius of the Princess field; and about 36 are projected for the central plains, covering the Vermilion, Lloydminster, Wainwright and neighboring areas.

VICE-PRESIDENT

Gordon Gray, named vice-president and general manager of Whitehall Pharmacal (Canada) Ltd., Walkerville, Ont., newly-organized subsidiary of American Home Products.

Study Requests Of Oil Industry

Oil Controller G. R. Cottrelle and officials of the Dominion Finance Department are now considering a resolution from the executive of the Alberta Petroleum Association, requesting additions to and extensions in time limit of the tax Concessions made the past two years for the purpose of assisting and speeding the search for oil in Canada.

The Concessions are embodied in sub-sections 6, 7, 10 and 11 of section 8 of the Income War Tax Act.

The APA Resolution specifically requests that:

(a) Sub-sections 10 and 11 be made applicable to all exploratory wells, wherever drilled, and without restrictions as to depth or otherwise (concession now limited to wildcats approved by the Government as Deep Tests);

(b) Sub-sections 10 and 11 be extended for a further period of at least one year;

(c) Sub-sections 6 and 7 be extended indefinitely, or for at least one year (Concessions under all four sub-sections are slated to expire after March 31, 1945).

The Resolution points out that immediate action is imperative so that oil operators may make their plans for the necessary equipment, machinery, manpower and finances for 1945.

Senator Shaft Nears Goal

Quartz Vein 7 ft. Wide Found in Shaft Program

Shaft sinking to the 2,000-ft. level of Senator-Rouyn is expected to be completed in March when lateral development will be undertaken on four new levels, with initial work to be concentrated on the first, or 1,625-ft. horizon. In sinking the shaft from the existing 1,430 ft. a quartz vein 7 ft. wide and dipping north at 55 degrees, was cut at 1,480 ft. Low gold values were indicated in this structure which underlies the main ore bodies.

The ore bodies at the property occur over an east-west extension of 500 to 600 ft. making 400 tons to the vertical foot from surface to the 1,375-ft. level. There has been a progressive decline in average grade below the 500-ft. horizon, it is reported, and exploration west of the shaft zone has not been rewarded with favorable structure.

Recent work has indicated that the fault zone may delimit the ore structures to the east.

1,375-ft. Level Ready

Lateral development on the 1,375-ft. level has been completed with stope preparation now underway in the hanging wall zone. There is an extension of 275 ft. with widths of 9.0 to 15.0 ft. Bulk sampling in taking down backs totalling 2,000 tons, has returned average grade of 0.168 oz. Recent diamond drilling from the north cross-cut on the 1,375-ft. level to the south-east has intersected the extension of the shear zone 250 ft. east of the fault. Definite ore structure, however, was not indicated.

Bullion production for the year ended Dec. 31, 1944, totalled $493,628 from 93,101 tons treated, an average of $5.30 gold per ton, compared with $556,287 from 96,073 tons treated, an average recovery of $5.79. Daily mill rate averaged 260 tons for the year as against 263 tons daily in 1943.

KEGA STARTS NEW WORK

Officials announce that a development program is to start immediately on the Rouyn-Noranda property of Kega Gold Mines. Work is to be concentrated on claims adjoining the west boundary of Elder Gold Mines as it is the opinion of officials that the Kega claims lie on the strike of the Elder zone which has given ore indications in recent drilling.

SHARES TAKEN UP

West Malartic Mines has advised the Toronto Stock Exchange that an additional 10,000 shares, part of the March 25, 1945, option installment, under March 24, 1944, agreement with W. McKenzie & Co., as amended, have been taken up. Balance of the installment covers an option on 135,000 shares. Issued capital is 2,922,266 shares, of which 596,099 shares are donated shares held in trust.

Toburn Gold Mines has declared a quarterly dividend of 1 cent per share, payable Feb. 22, 1945, to shareholders of record Jan. 22, 1945.

Mining Concentrates

Arjon Gold Mines reports carrying out an extensive diamond drilling program on its McGarry twp. property in the Larder Lake area, in the year ended June 30, 1944. The deepest hole drilled was to a depth of 1,350 ft. vertical depth. Several mineralized intersections failed to return commercial values. Current assets as at June 30, 1944, totalled $50,338 and current liabilities amounted to $300.

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Bayonne Consolidated Mines advises that Lieut.-Col. E. M. Thomson and Sir Henry Drayton and their associates, have acquired a substantial interest in the company. The new directors comprise E. B. Crockmore, G. L. Fraser, W. C. Mainwaring, Lieut.-Col. E. M. Thomson and Arthur Law. Lieut.-Col. Thomson becomes president.

• • •

Elder Gold Mines reports that while drilling a deep hole on the No. 1 vein at an angle of 45 degrees, set back to intersect the No. 1 vein at approximately 600 ft., the drills entered and cut an entirely new vein at 323 ft. The new intersection was made approximately 500 ft. southwest and running parallel to No. 1 vein and returning values of $9.25 over 4 ft. or $6.50 over 6 ft. The vein has since been designated as No. 3. A silicified zone was also cut at footage 234 to 238 and averaging $5.41 over 4 ft. Two drills are reported in operation with two more drills arranged for.

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East Sullivan Mines, a subsidiary of Sullivan Consolidated Gold Mines, advises completion of 10 diamond drill holes, aggregating 6,174 ft., at a cost of $15,771, or $2.55 per foot of hole. Work explored a section of the East Sullivan-Goldora boundary, the south-east claim and a strong anomaly indicated by magnetometer survey in the northern part of the property. Values were reported in several holes. Four heavy duty drilling machines are now engaged in exploration of known structures and strong anomalies disclosed by magnometer survey.

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Eldona Gold Mines shares were called for trading on the Toronto Stock Exchange on Jan. 17. Ticker abbreviation is EL.

• • •

Grull Wihksne Gold Mines advises that Lieut.-Col. E. M. Thomson and Sir Henry Drayton and their associates, have acquired a substantial interest in the company and have been elected to the board. The new directors comprise Sir Henry Drayton, G. L. Fraser, Leon Ladner, W. C. Mainwaring and Lieut.-Col. E. M. Thomson. Lieut.-Col. Thomson becomes president.

• • •

Heva-Cadillac Gold Mines advises that Hole No. 2-W has been completed and extends the ore zone a further 150 ft. westward. Visible gold, it is reported, was noted in the core at three points between footages 295 and 350. This intersection lines up with ore sections cut in four previous holes and establishes persistence of the zone for 700 ft., it is stated. Core assays for the initial 600 ft. of this section gave an average of $9.53 across average intersection width of 10.5 ft., the company states. Drilling at closer intervals and to greater depth will now be done to establish the importance of this ore shoot. Hole No. 3-W has reached a depth of 150 ft.

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Kayrand Mining and Development advises that diamond drilling on its Dalquier twp. property, in Quebec has extended the No. 9 vein. A contract for an additional 5,000 ft. of diamond drilling has been let with work to be concentrated on No. 9 and No. 12 veins.

• • •

Lavalie Mines reports drill hole No. 23, 300 ft. east of No. 22, was completed at 395 ft. The boring, to intersect the western extension of the Golden Manitou "break" in Bourlamaque twp. Que., disclosed the nature of the shearing to have altered from essentially quartz-tourmaline to widely spread pyrite mineralization. Hole No. 24 is being drilled 500 ft. east of No. 23 at a point on the break approximately 4,000 ft. from the Golden Manitou boundary.

• • •

Lake Shore Mines advises that bullion production totalled $1,063,985 from 63,231 tons treated, an average of $16.83 per ton in the three months ended Dec. 31, 1944, compared with $1,100,480 from 65,704 tons, an average of $16.75 in the three months ended Sept. 30, 1944.

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New Bidlamaque Gold Mines shares were called for trading on the Toronto Stock Exchange on Jan. 17. Ticker abbreviation is NB.

• • •

O'Brien Gold Mines reports bullion production of $263,679 from 12,690 tons treated, an average recovery of $20.78 per ton in the three months ended Dec. 31, 1944, compared with $267,421 from 14,933 tons treated, an average of $17.91 in the comparable quarter of 1943.

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Ordala Mines advises that drill hole No. 2 was drilled to a depth of 688 ft. on its Louvicourt twp. property and while values were low they were considered encouraging. Hole No. 3, about 200 ft. north of hole No. 2, is being piped preparatory to drilling in rock. Hole No. 4 is to be drilled some 200 ft. west of No. 2.

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Paramaque Mines reports drill hole No. 39, a joint undertaking with Louvicourt Goldfield, is drilling in rock and will complete the cross-section of the diorite dyke area along their common boundary. Hole No. 4, drilling in the north diorite structure, has reached a depth of 400 ft. Hole No. 50, cross-sectioning the diorite dyke structure 300 ft. west of the Louvicourt boundary, has reached a depth of 360 ft.

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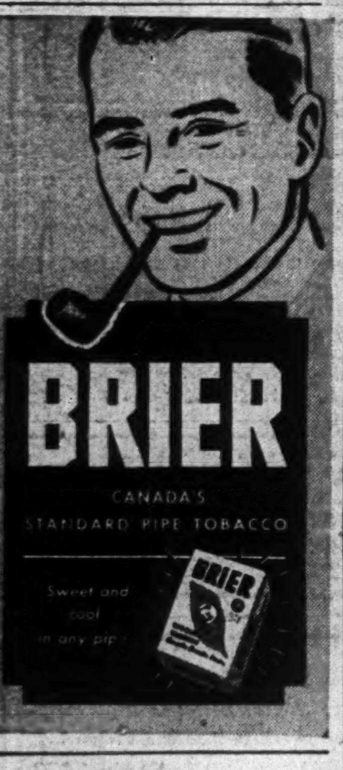

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Are Stocks at Their Peak?

Taxes Put Ceiling on Earnings, Say Investors

Pronounced strength in recent markets has raised the inevitable question of how much higher prices can go under present conditions. The following appraisal is based on the opinions of leading investment authorities.

By JAMES H. JOYCE

Canadian stock markets have ended 1944 with a showing of strength which is, in many quarters, expected to continue during the first few months of 1945.

But will this strength prevail throughout the whole of 1945?

There is more conflict of opinion as to the future course of stock prices than there has been for some considerable time. On the one hand it is claimed that the present market action represents confirmation of a bull market trend which will continue, subject, of course, to minor recessions, for some time and that stocks should be purchased.

On the other hand, there is a widespread feeling that stock prices are too high—that this may be the final "kick" of the market before it drops to lower levels, that now is an opportune time to convert holdings of stocks to cash and so strengthen cash positions.

To get the answer, the first point is to check on what 1944 has done to Canadian stock prices and values.

All prices increased during the year and the highly volatile pulp and paper stocks show the greatest rise with the Montreal average closing at 189.48 on Dec. 29, 1944, up 63.0% from the close of 116.14 of a year previously. This follows a rise of 57.7% in that average during 1943. Industrial stocks were at or near their year's high at the end of 1944. The Toronto average, closing at its year's high of 131.43, was up 12.5% from the previous year's close of 116.89 as compared with a rise during 1943 of 18.6%. In contrast, the Montreal industrial average showed a gain of 26% during 1944, also closing at its high.

Gold stocks were only slightly up (8.9% on the Toronto average which closed at 107.62) as compared with a substantial rise (40.1%) in the preceding year. Base metal stocks continued their slowly rising trend with the Toronto average ending the year at 72.61—up 6.9% as against a rise of 7.4% during 1943. Western oil stocks showed only a slight rise (2.9%) to close with their average at 27.02 as compared with a jump of 45.5% in the average in the previous year.

Taken by themselves, few of these increases are large enough to be regarded as ominous. But how do they stack up against earnings?

But Earnings Are Restricted

No great improvement in earnings can accrue to companies which are now paying excess profits taxes under the present law. The present tax laws, in effect, place a ceiling on earnings as no corporation is permitted to retain more than 70% of its pre-war standard profit. An amendment passed in 1944 has given some relief through allowing standard profits to be adjusted upward by 5% of the increase of the capital employed since 1939 under certain conditions.

On the other hand, the provisions of the Excess Profits Tax tend toward a certain stability. Earnings of companies now paying excess profits tax may decline down to the standard profits base before the net profit available to shareholders is vitally affected. True the 20% refundable portion of EPT, which at some time in the future would be available to the shareholders, is reduced as earnings decline but this is not as important a factor in stock prices as the current and disbursable earnings.

Net effect is that investors cannot expect increased earnings until EPT is modified further.

Are stock prices then too high in view of the above limitation on earnings and the uncertainties of the future?

While the market has been rising since 1942, stock prices as judged by the averages are still considerably under their 1937 high levels. At the end of 1944 the Montreal pulp and paper stock average was only about 51% of its 1937 high, the Toronto industrials average about 70%, golds about 64%, base metals about 53% and Western oils about 22%. Thus with a more optimistic outlook stock prices could rise substantially before equalling their 1937 high levels.

While it would be unwise to base too much on 1937 values, the fact that 1937 values were inflated became obvious in that same year, particularly in respect of gold shares and pulp and paper issues. In other words, these two indexes do not appear to be much more than half of the way to the danger zone. In addition, the pulps in particular are in substantially better shape financially than they were in 1937.

How corporations will be affected by the reconversion from a war to a peace economy, with all its problems, is one uncertainty which investors are trying to evaluate in considering the long-term prospects of companies. This problem which will probably be accompanied by a decrease in governmental expenditures is generally considered to be the next major factor which will affect stock market prices. The time and magnitude of its influence will be governed by the course of the war both in Europe and in the Far East.

The period of reconversion should start with the termination of the conflict in Europe. Hon. C. D. Howe has recently stated that there was no prospect of any substantial cutback in Canada for at least three months. Recent statements in the United States and in Canada indicate that the cutback at the end of the European war is likely to be much less drastic and much more gradual than was at first anticipated. If this proves to be the experience, reconversion may be effected gradually and its shocks are not likely to have such a drastic effect on the economy as if industry were faced with the problem of converting "overnight." This may have an important bearing on the action of the stock market.

Strong Financial Position

It is also pointed out that a recent Bank of Canada survey, reviewed in The Financial Post, indicated that corporations strengthened their working capital position 33.5% and increased their net worth 7.65% during the three war years from the end of 1939 to the end of 1942. It is likely that this trend was continued in 1943 and in 1944. This increased financial strength is encouraging, investors feel, as an indication that companies generally will be in that much better financial position to meet any reconversion or postwar problems.

Looking beyond the reconversion period, investors foresee a huge potential postwar demand which is expected to keep production at a high level and so maintain company earnings. Further the longer that intense war activities are maintained, the greater becomes the reservoir of postwar demand and the longer will be the period before this demand is filled.

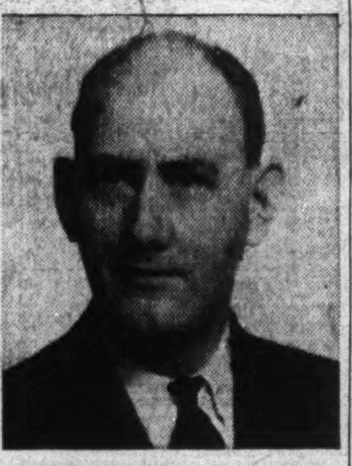
However, even if this optimism is justified, it should be remembered that, as pointed out above, the extent to which a company may benefit from the good business conditions will depend on the postwar corporation tax policies. Hon. J. L. Ilsley, Minister of Finance, in his 1944 year end financial review, gave no reason to hope for an early cut in the present high tax level. Further, in spite of their desire for lower tax rates, many businessmen do not see how it will be possible to reduce rates much for some years after the war. Investors would be well advised to weigh this factor carefully in view of its effect on earnings available for stockholders.

Look For Higher Returns

One factor tending to force stock prices up is the desire of many investors to obtain a somewhat better yield than is currently obtainable on bonds. The higher return on stocks at current price levels is attracting attention. However, if the transition from a wartime to a peacetime economy proves to be more difficult and serious than investors presently anticipate, the pressure of free funds may not be a big factor in helping to sustain security prices.

The success of Canada's war on inflation and our ability to maintain our price and wage ceiling will affect profit margins and consequently stock prices. Many other factors, such as the effect of New York and London market trends will have to be weighed and watched continually by investors in 1945.

Investors in 1945 will continuously have to watch and evaluate stock prices. It seems reasonable to expect that investors will be highly selective in their buying. Of the many views current as to 1945 stock prices, the following seems fairly reasonable: "Stocks of those companies which enjoy a good war business and at the same time have good postwar prospects should be in greatest demand and may show a fair price appreciation. Stocks of companies whose position depends on the continuance of war orders will be affected by the uncertainty of their outlook and may decline in price. Any individual stock's prospect, however, will require close analysis and investments will require constant supervision"



SALES MANAGER

B. T. Tinling becomes sales manager of International Varnish Co.

Grull Wihksne Awaits Report on Bridge River

From Our Own Correspondent

VANCOUVER—Policy of the new board of Grull Wihksne Gold Mines at the company's Bridge River property will depend a good deal on the report to be submitted shortly by Henry Hill, consulting engineer, who will report not only on the Grull-Wihksne group but on adjacent ground.

The regular annual meeting of the company, held here last week, confirmed the following directors, first elected last November when the board headed by W. C. Ditmars was ousted: G. L. Fraser, president; J. H. Forester, E. B. Crickmore, W. C. Mainwaring, Leon J. Ladner, K.C.

At a meeting of Bayonne Consolidated Gold Mines, immediately preceding the Grull meeting, nominees of the Fraser-Crickmore group controlling Grull, were elected to the board, as follows: G L. Fraser, E. B. Crickmore, H. Forester, Arthur Law, W. C. Mainwaring.

CCF Launches Schools For Sask. Labor Leaders

From Our Own Correspondent

REGINA—Directed by the adult education branch of Saskatchewan's provincial department of education, schools for union labor officials and leaders only are to be operated this winter in urban centres throughout the province. Walter Thomson is Saskatchewan director of adult education.

The first of these schools is now under way in the Regina headquarters of the Canadian Congress of Labor unions. It has been operating since late November and is being attended mainly by Canadian Congress of Labor men. The school is not confined, however, to CCL officials. Trades and Labor Congress men have been asked to attend and according to Mr. Thomson, some are expected to join the school.

A second school is being organized in Moose Jaw where the attendance is expected to be jointly Canadian Congress of Labor and Trades and Labor Congress. Enquiries have been made by Prince Albert labor men as to organizing a school at that point.

Plans contemplate ultimate operation at Saskatoon, North Battleford, Estevan, and other urban points where there are groups of organized labor.

Instructors and discussion leaders in the Regina school, which is held once each week, include Watson Thomson himself, A. J. Wirich, his assistant, and W. K. Bryden, labor adviser to Labor Minister C. C. Williams.

In other centres, plans are for obtaining teachers and members of the University of Saskatchewan faculty to act as instructors. These will have the confidence of labor groups, Mr. Thomson said.

Mr. Thomson said the classes were in the nature of discussion groups. Discussions range around two main subjects: major problems confronting labor, and the question of how best to present these questions to the general mass of labor.

Under labor's major problems, Mr. Thomson said, such matters are discussed as the history of the labor movement, labor movements in Europe, the Canadian labor movement, the National Labor Code, the postwar period, full employment and political trends.

"We feel there is a need for this kind of education to prepare the minds of persons in organized labor for the problems of the postwar period," Mr. Thomson said.

The classes are experimental and plans so far contemplate holding them only this winter. Their continuance will depend on the basis of this winter's results, Mr. Thomson says.

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